

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

PPL Electric Utilities Corporation,	:	Civil Action
Plaintiff,	:	No.
v.	:	
International Brotherhood of Electrical Workers Local 1600,	:	
Defendant.	:	

PLAINTIFF'S COMPLAINT TO VACATE ARBITRATION AWARD

Plaintiff, PPL Electric Utilities Corporation, by its undersigned attorneys, for its Complaint against Defendant International Brotherhood of Electrical Workers Local 1600, avers as follows:

Nature of the Action and Parties

1. This is an action pursuant to Section 301 of the Labor Management Relations Act (“LMRA”), 29 U.S.C. § 185 to vacate an arbitrator’s award.
2. Plaintiff, PPL Electric Utilities Corporation (“PPL EU”) is an energy company that provides electricity delivery and transmission services to over 1.4 million customers in Pennsylvania. PPL EU is incorporated in Pennsylvania and has its principal place of business at Two North Ninth Street, Allentown, PA 18101.
3. Defendant, International Brotherhood of Electrical Workers Local 1600 (“Union”) is a labor organization representing employees in an industry affecting commerce within the meaning of the LMRA, 29 U.S.C. § 185. The Union’s office is located at 1259 Grange Road, Allentown, PA 18106. The Union represents certain PPL EU employees in this jurisdiction for purposes of collective bargaining.

Jurisdiction and Venue

4. The Court has subject matter jurisdiction over this action pursuant to § 301 of the LMRA, 29 U.S.C. § 185, and the doctrine of federal question jurisdiction, 28 U.S.C. § 1331.
5. Venue is proper in this district pursuant to 28 U.S.C. § 1331(b) and 29 U.S.C. § 185(a), as the events giving rise to this Complaint occurred in this judicial district, and the Union is a resident of this judicial district.

Factual Background

The Collective Bargaining Agreement

6. During all relevant time periods, PPL Corporation, on behalf of PPL EU, and the Union are and have been parties to a collective bargaining agreement (the “CBA”). A copy of the parties’ 2014-17 collective bargaining agreement which is the subject of this action is attached as Exhibit A.
7. Article II, Section 5D of the CBA authorizes subcontracting of work covered by the CBA as follows: “The Company will have the right to contract out work when needed skills are not available from present employees; when public and customer relations require it; when present employees cannot complete the work in the required time; when it is economical to do so; or when peaks of work would require a temporary increase of the Company’s forces with subsequent lay-off of such additional forces. No employee will be laid off or suffer loss of regular straight time pay as a result of this provision.”
8. Article VI, Section 1D states that, “The number of employees in each job title is limited by the amount and the nature of the work to be done. If a job vacancy occurs, the Company will notify the Union within three (3) weeks thereafter whether such vacancy will be filled.”

9. Article III of the CBA contains a grievance and arbitration procedure that allows the Union to file grievances concerning “any dispute or disagreement arising over the meaning and application of the terms and provisions of this Agreement.”

10. Article III sets forth the following requirements for filing a grievance:

- a. “Failure to comply with any of the prescribed time periods in each step of the Grievance Procedure contained herein, shall constitute forfeiture of the grievance by the delinquent party unless the parties have jointly agreed to waive such time limits.” (Article III, Section 2A)
- b. “Before a written grievance may be submitted, the aggrieved employee or the aggrieved employee and the Union Steward must discuss the complaint with the appropriate supervisors within five (5) working days from the date of occurrence giving rise to the grievance.” (Article III, Section 3A)
- c. “Grievances in order to be considered and be subject to adjustment must be made in writing, signed by the aggrieved employee, and must specify the Article and Section of the Agreement upon which the grievance is based, within ten (10) working days from the date of the complaint discussion. Any individual employee or group of employees shall have the right to present grievances and to have them adjusted, provided such adjustment is not inconsistent with the terms of this Agreement and a Union representative has been given opportunity to be present at such adjustment.” (Article III, Section 3B)

The Customer Contact Centers

11. PPL EU employs Union-represented customer service agents (“Local 1600 CSAs”) who handle interactions with PPL EU’s customers concerning billing, collection, and service

issues from 8:00 AM – 5:00 PM on Monday through Friday at its Customer Contact Centers (the “CCCs”) located in Allentown and Scranton, Pennsylvania.

12. The CCC in Allentown is often referred to as the “Lehigh Service Center.”
13. For many years, PPL EU has used subcontractors through external call centers to perform bargaining unit work.
14. PPL EU has for many years used outside call center contractors to supplement the Local 1600 CSAs to handle, among other things, seasonal peaks during “cut season” (April to November) when PPL EU cuts customers’ utility services and receives an approximately 30% increases in customer calls.
15. PPL EU also uses its contractors daily to mitigate the effects of its approximately 10% employee absenteeism at the CCCs among the Local 1600 CSAs.
16. On April 12, 2012, PPL EU and the Union entered into a letter of understanding (“LOU”), which the parties later incorporated into the CBA in 2014 as Exhibit P, to reorganize certain customer service job classifications and revise PPL EU’s “progression line” for its CCCs. (Exhibit B.)
17. In Exhibit P, the parties agreed to eliminate two positions from the customer service progression line at the CCCs and agreed to “create/maintain the following positions:
 - Customer Service Assistant- I (CSA-I)
 - Customer Service Assistant- II (CSA-II)
 - Customer Service Assistant- III (CSA-III)
 - Customer Service Representative (CSR)
 - Customer Service Representative – Shift (Lehigh only) (CSR-Shift)
 - Senior Customer Service Representative (Senior-CSR). ”
18. In Exhibit P, PPL EU and the Union agreed on the “[i]nitial staffing for the newly created positions.”

19. In accordance with the parties' agreement, PPL EU created and maintained the positions listed in the revised CCC progression line in Exhibit P.
20. In accordance with the parties' agreement, PPL EU eliminated the "Collection Assistant" and "Customer Service Clerk – Customer Contract Center" position from the CCC progression line.
21. In accordance with the parties' agreement, PPL EU fulfilled the staffing obligations provided in Exhibit P.
22. In accordance with the parties' agreement, PPL EU hired 18 existing spec temps into the CSA-III position.
23. In accordance with the parties' agreement, PPL EU hired 22 new employees into the CSA-I position.
24. PPL EU satisfied all requirements mandated by the LOU and Exhibit P.
25. As of 2015, PPL EU used two contractors—PPLSolutions and NCO—to perform customer service work similar to and to supplement the work performed by Local 1600 CSAs.
26. In August 2015, PPL EU's Director of Customer Service Operations, Chris Graham, decided to terminate PPL EU's contract with NCO and engage a new contractor to replace NCO.
27. Mr. Graham sought out possible contractors that could, among other things, expand PPL EU's operations to provide 24-hour, year-round customer service and provide emergency coverage. PPL EU also wanted a back-up call center located outside of the Northeast in case its Pennsylvania call centers suffered a weather-related disaster or emergency.

28. At the time the search for a new contractor was taking place, the Local 1600 CSAs were fully occupied during the Company's "core business hours," *i.e.*, 8:00 AM to 5:00 PM. As a result, the Local 1600 CSAs could not perform the extra peak work caused by "cut season," the demand for staff caused by absenteeism, or PPL EU's desire to expand its customer service operation to 24 hour/7 days a week coverage.
29. PPL EU also evaluated the cost of engaging a contractor compared to hiring new Union-represented employees and determined that contracting the work would be significantly less expensive. (Exhibit C.)
30. On September 10, 2015, PPL EU entered into a contract with First Contact LLC ("iQor") to replace NCO and further expand PPL EU's customer service operations to a 24-hour, year-round operation.
31. On October 21, 2015, PPL EU formally notified the Union of its contract with iQor. In doing so, it provided the following four contractual justifications:
- a. "Contractor will provide employees with specialized skills because PPL employees with those skills are fully employed doing this work";
 - b. "Contractor to work during seasonal/other peaks";
 - c. "Use of contractor will reduce cost of work"; and
 - d. "Contractor required to work during emergency." (Exhibit D.)
32. PPL EU did not lay-off or terminate any employee nor cause any employee to suffer a loss of regular straight time pay as a result of PPL EU's contract with iQor.
33. According to evidence presented by the Union in the hearing (described below), before iQor began performing work for PPL EU, from July 2015 through October 2015, the number of Local 1600 CSAs decreased by six employees from 162 to 156. (Exhibit E.)

34. According to evidence presented by the Union in the hearing, after iQor began performing work for PPL EU, from October 2015 through March 2016, the number of Local 1600 CSAs decreased by eight employees from 156 to 148. (Exhibit E.)

The Grievance and Arbitration Hearing

35. The Union presented its grievance on November 5, 2015 and reduced it to writing on November 12, 2015, alleging that PPL EU had breached Article II, Section 5D and Article VI, Section 1D of the CBA by contracting work to iQor. The Union did not cite Exhibit P on its written grievance form. (Exhibit F.)

36. PPL EU denied the grievance, because it had the contractual right to subcontract the work to iQor, pursuant to Article II, Section 5D of the CBA. (Exhibit G.)

37. On September 14, 2016, an arbitration hearing was held before Arbitrator John M. Skonier, Esq. to resolve the grievance. The hearing was transcribed and a copy of the transcript is attached as Exhibit H. The exhibits from the arbitration hearing that are not otherwise referenced herein are attached as Exhibit I, except the iQor contract, which is not attached for confidentiality reasons.

38. At the arbitration hearing over whether PPL EU violated the contracting rights provision of the CBA when it hired iQor, despite not identifying Exhibit P to the CBA as a basis for its grievance in its written grievance form, the Union presented evidence and raised arguments to support a claim that PPL EU violated Exhibit P.

39. At the arbitration hearing, PPL EU objected to the Arbitrator considering the Union's argument that PPL EU violated Exhibit P.

40. PPL EU also asserted on the record at the arbitration hearing that the grievance was not timely under the CBA.

41. On June 19, 2017, Arbitrator Skonier issued a Decision and Award (the “Award”) sustaining the grievance. A copy of the Award is attached as Exhibit J.
42. In the Award, Arbitrator Skonier rejected PPL EU’s argument that the grievance was procedurally flawed and ruled that PPL EU violated Article II, Section 5D, Article VI, Section 1D, and Exhibit P of the CBA.
43. Arbitrator Skonier ordered PPL EU “to cease and desist” the violation and directed PPL EU affirmatively “to hire eight (8) new employees into the CCC within thirty (30) days of the issuance of [the Award] and to provide the Union with a sum of money equivalent to what the initiation fees and dues would be as though those eight employees had been hired as of November 1, 2015.”

The Arbitration Award Should Be Vacated

44. The Award should be vacated because it clearly does not draw its essence from the CBA. With respect to both the procedural and substantive rulings, Arbitrator Skonier ignored the express terms of the CBA and, instead, based his Award solely on his own brand of industrial justice.
45. Procedurally, the Union did not specify that it was alleging that PPL EU violated Exhibit P in its formal, written grievance, as is required by Article III, Section 3B of the CBA. Still, Arbitrator Skonier ruled that the grievance could proceed because, in his opinion, “[t]he record clearly demonstrated that the Company was fully aware of the Union’s complaints regarding the contractual violations in the instant matter prior to the instant hearing.” While there was no actual evidence to that effect, Arbitrator Skonier completely disregarded the CBA’s requirement that the written grievance “must specify the *Article and Section of the Agreement* upon which the grievance is based.” (Emphasis

added.) The CBA makes no exception for situations where PPL EU may otherwise be aware of the Union’s argument.

46. The Union also failed to raise its grievance with a PPL EU supervisor within five days from the date of occurrence giving rise to the grievance, as is required by Article III, Section 3A. The Union filed its grievance—based on PPL EU’s failure to “maintain proper staffing levels”—*years* after PPL EU stopped filling vacancies caused by natural attrition (*i.e.*, retiring or resigning) with Local 1600 CSAs. Nonetheless, Arbitrator Skonier summarily held that “the grievance was timely filed.”
47. Substantively, Arbitrator Skonier blatantly ignored the unambiguous terms of the CBA that gives PPL EU the broad right to contract. Although he cites to Exhibit P of the CBA, he inappropriately disregarded the actual terms of the agreement reached by the parties in Exhibit P, which makes no reference to contracting out bargaining unit work, does not provide any level of minimum staffing, and contains no guarantee against subcontracting customer service work at the CCCs.
48. Instead, he relied on correspondence between PPL EU and Union representatives during the negotiating process for the LOU and Exhibit P. (Exhibit K.) A plain reading of the correspondence (along with the testimony of PPL EU’s witnesses at the hearing) illustrates that PPL EU did not guarantee that Union membership would *never* decline and PPL EU would *never* increase the use of contractors. Moreover, Exhibit P itself does not explicitly or implicitly state that PPL EU *guaranteed* increased or minimum Union membership. Instead of applying the CBA, Arbitrator Skonier imposed his own moral judgment by finding that PPL EU “failed to live up to the promise it made to the Union”

when negotiating the LOU and Exhibit P, disregarding the fact that the actual terms of the LOU and Exhibit P contained no such promise.

49. Arbitrator Skonier ignored the agreed upon language used in Exhibit P, which only established PPL EU’s revised progression line for its CCCs, requiring PPL EU to “create/maintain [] *positions*,” not the *individuals* filling those positions. (Emphasis added.) By its terms, Exhibit P further confirms that PPL EU did not agree to sustain a certain number of bargaining unit employees in the new progression line because Exhibit P only sets forth the “[*i*]nitial staffing”—not all future staffing—for the progression line. (Emphasis added.)

50. Arbitrator Skonier found that the portion of the work that PPL EU contracted to iQor to replace NCO should “not be considered in fashioning the remedy.” Therefore, he held that PPL EU violated Exhibit P only to the extent that PPL EU contracted with iQor to expand PPL EU’s CCC operations to provide 24-hour customer service. However, Exhibit P cannot possibly apply to PPL EU’s expanded operations because PPL EU and the Local 1600 CSAs only provided daytime customer service at the time that PPL EU and the Union agreed to the LOU and Exhibit P. Therefore, Arbitrator Skonier disregarded the clear terms of the CBA by extending the coverage of Exhibit P far beyond its terms.

51. The Arbitrator similarly displayed manifest disregard for the parties’ agreement in Article II, Section 5D of the CBA, which unequivocally allows PPL EU to subcontract bargaining unit work in any of several circumstances, with the only limitation being that no employee will be laid off or suffer loss of regular straight time pay as a result of the subcontract. Contrary to PPL EU’s contractual right to subcontract work, Arbitrator

Skonier held that “[t]he obvious problem with [PPL EU’s] action of hiring iCor [*sic*] to perform the work in question is that the work is bargaining unit work.” The Arbitrator’s Award ignores Article II, Section 5D and renders the clear and explicit language meaningless.

52. Arbitrator Skonier disregarded the clear terms of Article II, Section 5D when he denied PPL EU’s justification for contracting with iQor based on the fact that needed skills were unavailable from then-present employees. Arbitrator Skonier held that PPL EU “create[d] the shortage of available personnel by refusing to fill vacancies.” In doing so, the Arbitrator manifestly disregarded the CBA and factual record by finding that PPL EU “*created*” vacancies simply by refusing to fill existing vacancies that were *actually* caused (*i.e.*, “*created*”) by natural attrition over the course of several years.
53. The CBA provides that PPL EU is under no obligation to fill vacancies caused by natural attrition with Local 1600 CSAs. Article II, Section 5D only limits PPL EU’s right to subcontract if PPL EU lays off employees or otherwise causes employees to lose regular straight time pay, neither of which occurred. Arbitrator Skonier failed to find any evidence that the iQor contract led to the termination or lay-off of any bargaining unit employee, and further held that “[t]here was no showing that any current employees lost pay or benefits as a result of the Company’s decision to contract with iCor [*sic*].” Thus, Arbitrator Skonier, in finding a contractual violation, ignored the explicit language of the CBA. The Award, therefore, is unsupported by any factual or legal reasoning and contradicts the Arbitrator’s own factual findings.
54. PPL EU asserted its contractual right to subcontract “when peaks of work would require a temporary increase of the Company’s forces with subsequent lay-off of such additional

forces,” pursuant to Article II, Section 5D. The Arbitrator found that PPL EU did not engage iQor to handle seasonal peaks solely because PPL EU entered into a three-year contract with iQor. However, Arbitrator Skonier disregarded testimony and argument explaining that during the three-year iQor contract, iQor would perform peak work and additional work to allow PPL EU to expand its hours of operation.

55. The Arbitrator also ignored the record evidence and argument demonstrating that with respect to the peak work, PPL EU contracted with iQor to replace NCO, which previously handled PPL EU’s seasonal peaks. Contrastingly, the Arbitrator separately held that PPL EU replacing NCO with iQor did not violate the CBA.
56. PPL EU has the explicit right to subcontract “when it is economical to do so,” under Article II, Section 5D. Arbitrator Skonier ignored the record evidence presented by PPL EU showing that engaging iQor instead of hiring bargaining unit employees substantially reduced PPL EU’s overall costs.
57. Arbitrator Skonier disregarded the record evidence pertaining to the additional costs that PPL EU would have incurred had it hired Local 1600 CSAs instead of iQor, such as supervisor costs, overhead, overtime, and unproductive vacation, sick and other time. Arbitrator Skonier also improperly relied on the Union’s cost analysis, which incorrectly compared the total cost of the iQor contract—covering new work that PPL EU has *never* performed and, thus, Union employees have *never* handled—with the total cost of 205 Local 1600 CSAs, the number of bargaining unit employees in June 2012. For example, it took approximately 81 iQor employees to perform the required work. PPL EU would have needed significantly more than 205 bargaining unit employees to complete that work. Therefore, the Union grossly miscalculated by comparing the cost of the iQor

contract with the cost of 205 Local 1600 CSAs. The Arbitrator ignored the record evidence by relying on the Union's inaccurate, arbitrary cost calculation, and disregarding PPL EU's objective and rational cost comparisons.

58. Arbitrator Skonier acknowledged PPL EU's contractual right to subcontract in emergency situations, but still held that it was an improper justification for contracting with iQor because PPL EU had never had an emergency that disabled both call centers, despite clear testimony from Mr. Graham explaining PPL EU's justification for an emergency call center. Article II, Section 5D does not require that there had been a prior emergency. Nonetheless, Arbitrator Skonier ignored the CBA and Mr. Graham's testimony and imposed his own business judgment that PPL EU did not need iQor's call center outside of the Northeast weather system for emergency purposes.
59. Indeed, Arbitrator Skonier based the Award on his own moral judgment and notion of fairness. Arbitrator Skonier opined—without any support from the record—that PPL EU's contracting was contrary to the parties' “obvious[]” intent in agreeing to Article II, Section 5D. The record contains no evidence of such intent because it is irrelevant in light of the clear terms of Article II, Section 5D, which expressly permits subcontracting bargaining unit work. By speculating about the parties' intent and ignoring the plain terms of the CBA, Arbitrator Skonier dispensed his own brand of industrial justice.
60. Article VI, Section 1D specifies that PPL EU must only *notify* the Union when it chooses to fill a vacancy. It does not require PPL EU to *fill* the vacancy nor does it require PPL EU to notify the Union when it chooses *not* to fill the vacancy. By finding that PPL EU violated the CBA by failing to fill vacancies, Arbitrator Skonier ignored the CBA.

61. The Award's remedy contradicts the terms of the CBA and Arbitrator Skonier's own findings. Despite finding that the CBA "does not provide for a specific level of employees and is not a guarantee of minimum manning," Arbitrator Skonier ultimately ordered PPL EU to hire eight new Local 1600 CSAs to bring the staffing level back to the number of Union employees at the time PPL EU first contracted with iQor, effectively rewriting the CBA to require a guarantee of minimum staffing.
62. Arbitrator Skonier failed to explain the rationale for his remedy. Rather, he found that ordering PPL EU to hire eight employees "seems reasonable" because PPL EU employed 156 Local 1600 CSAs as of October 2015, just before iQor employees first started handling PPL EU work, and PPL EU employed 148 Local 1600 CSAs as of March 2016. However, the March 2016 date has no significance and the Arbitrator's order that PPL EU hire eight employees is not based on the CBA, which the Arbitrator admitted does not guarantee minimum staffing.
63. Arbitrator Skonier also ignored the record evidence showing that the Union admitted that from July 2015 through October 2015—before PPL EU engaged iQor—the number of bargaining unit employees similarly decreased from 162 to 156.
64. Therefore, the Award does not draw its essence from the collective bargaining agreement, and must be vacated.

WHEREFORE, PPL EU demands that judgment be entered in its favor and against Local 1600:

- a. Vacating Arbitrator Skonier's Award; and
- b. Granting PPL EU all other legal and equitable relief deemed necessary.

Respectfully Submitted,

/s/ Lori Armstrong Halber

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Date: July 14, 2017

EXHIBIT A

AGREEMENT

This AGREEMENT, is made and entered into by and between Local Union No. 1600 of THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, A.F.L.- C.I.O. (hereinafter referred to as the "Union") and PPL Corporation (referred to in the former collective bargaining agreements with the Union as PP&L, Inc., and/or Pennsylvania Power & Light Company) as agent in fact for its subsidiaries that employ employees represented by the Union, and their successors and assigns, hereinafter all jointly referred to as the "Company."

An absolute precondition to the sale, lease, transfer, or takeover by sale, lease, transfer, assignment, corporate reorganization, receivership, bankruptcy proceedings of the entire operation, or any part thereof is that any purchaser, transferee, lessee, or assignee shall agree and become party to and bound by all the terms, conditions, and obligations of the Agreement.

NOW, THEREFORE, for and in consideration of the parties and the mutual promises and agreements hereinafter contained, it is agreed that:

PURPOSE

The Company is engaged in a **number of business operations in both regulated and non-regulated sectors which furnish** essential public services which vitally affect the health, safety, comfort and general well-being of the people living in the area served **by the Company**. The very existence of **these sectors** is conditioned and dependent upon the faithful performance of its charter obligations and responsibilities in serving the public **at large**.

These obligations and responsibilities, which apply to both the Union and the Company, require that any difference arising between them be adjusted and settled in an orderly manner without interruption of service to the public.

In view of such obligations and responsibilities on the part of both the Union and the Company and in order that the Company, its employees and the general public may mutually benefit, it is agreed as follows:

ARTICLE I REPRESENTATION

Section 1. Recognition

A. Pursuant to the Certification issued by the National Labor Relations Board to Local Union No. 1600 and to the former Local Union No. 1520, both of the International Brotherhood of Electrical Workers, in Bargaining Units which have merged, the Company recognizes the Union, Local Union No. 1600, as the exclusive bargaining agent for all of the Company's physical, clerical, part-time (bargaining unit) who work less than twenty (20) hours per week, and specific temporary employees, excluding full-time or part-time (less than 20 hours per week) (1) confidential secretaries, executives, managerial employees and all supervisory employees and guards within the meaning of the National Labor Relations Act, (2) all professional engineers and all other professional employees of the Employer within the meaning of the National Labor Relations Act, and (3) college undergraduates employed by cooperative and summer employment.

B. Whenever the word "employee" appears hereafter in this Agreement, it shall be considered to refer only to those employees for whom the Union is, in the preceding Paragraph of this Article, recognized as the bargaining agent.

The job titles of the eligible employees are listed in Exhibit A attached hereto and made a part hereof. It is understood that the job titles listed in Exhibit A are those which are currently active. Other titles may be established, or inactive titles activated or titles eliminated at any time as provided in Section 1 of Article VI.

ARTICLE II COMPANY-UNION RELATIONS

Section 1. Union Shop

A. All employees eligible for Union membership as described in Article I will be required to be members of the Union as a condition of continued employment.

B. For the purposes of this Section 1, an employee will be considered to be a member of the Union:

- (1) If there is in effect for him an authorization for deduction of the Union's standard dues and assessments.
OR
- (2) If in fact his standard dues and assessments have been paid or tendered to the Union.

C. All presently employed, new and rehired employees who are covered by this Agreement, upon completion of a period of employment of thirty (30) days, must, as a condition of continued employment, tender the initiation fees, standard dues and assessments uniformly required as a condition of acquiring and retaining membership in the Union. It is agreed that the Financial Secretary of the Union shall notify the Company by certified mail when a member of the Union has become delinquent in tendering either the standard dues, initiation fees or assessments uniformly required and the Company shall discharge said member at the end of thirty (30) days after receipt of such notification, unless said member tenders to the Union the delinquent dues, initiation, or assessment fees during this thirty (30) day period where upon the Financial Secretary of the Union shall immediately so notify the Company, in writing by certified mail. The Union agrees to accept and retain as members all such employees without discrimination. The Union agrees that it will not require the Company to discharge any such employee for any reason other than failure of the employee to tender the standard dues, initiation fees, or assessments uniformly required as a condition of acquiring or retaining membership in the Union.

D. The Company agrees to deduct Union dues and assessments from the pay of each employee from whom it receives a lawful written authorization and will continue to make such deductions while the authorization remains in effect.

Such deductions shall be made from the payroll for the month following the month in which written authorization is received by the Company. The sums so collected shall be paid by the Company to the Financial Secretary of the Union.

Section 2. No Solicitation on Company Time

A. The Union, its agents or any of its members shall not solicit employees for Union membership, collect dues or engage in other Union activities on Company time. However, nothing herein is intended to restrict normal conversation between employees that does not interfere with the efficient performance of work.

Section 3. Regulation — Government Agencies

A. The parties hereto recognize that the business of the Company is subject to regulation by the Pennsylvania Public Utility Commission and other governmental agencies in accordance with law. The parties agree that such regulation shall be respected and complied with by both parties to this Agreement.

B. In accordance with the Code of Federal Regulations, National Standards, and Nuclear Regulatory Commission (NRC) Regulatory Guides, any employee assigned to perform work on a temporary or permanent basis at Susquehanna S.E.S. will be required to satisfactorily complete training and retraining in, but not limited to, the following areas:

- Appropriate Plans and Procedures
- Radiological Health and Safety
- Industrial Safety
- Plant Controlled Access Areas and Security Procedures
- Use of Protective Clothing and Equipment
- Quality Control and Assurance
- Skills and Technical Training

C. In accordance with the Code of Federal Regulations, National Standards and Nuclear Regulatory Commission (NRC) Regulatory Guides, any employees who may be required to perform work on a temporary or permanent basis at Susquehanna S.E.S. will be subject to the Access Authorization Program as described in Article XI of this Agreement.

Section 4. Cooperation

A. In fulfilling its responsibilities, the Union agrees that the employees covered by this Agreement will individually and collectively perform safe, efficient and diligent service; will cooperate in gaining the maximum efficiency in the use of men and materials; will respect and abide by the Company's rules and regulations; will use their influence and best efforts to protect the interests of the Company; and will cooperate in promoting and advancing the welfare of the Company at all times as a matter of enlightened self-interest.

B. The Company agrees to use its best efforts to obtain a fair and impartial administration of this Agreement by its supervisors.

C. The Company and the Union agree to continue their policy of being an Equal Opportunity Employer and of non-discrimination against any individual because of such individual's race, color, religion, sex, handicap, national origin, age, veterans' status or sexual orientation.

D. Wherever in this Agreement a male noun or pronoun is used in reference to an employee, it is intended to include either male or female employees.

Section 5. Functions of Management

A. The Union recognizes the exclusive right of the Company to determine its operating policies and manage its business in the light of experience, business judgment and changing conditions. It is understood and agreed that all rights, powers or authority possessed by the Company prior to the signing of this Agreement shall be retained by the Company. However, the Grievance Procedure hereinafter set forth in Article III shall be applicable to complaints regarding the meaning, application, interpretation or administration of any provision of this Agreement limiting the following functions of Management, which are the only ones limited by this Agreement; namely, the right to: determine the qualifications of and select employees for promotion; transfer employees from one job to another and from one classification to another; determine the number and arrangement of work shifts; determine the starting and stopping time of each shift; contract for construction or other work when in the judgment of the Management such action is to the best interest of the Company; determine which employees shall be laid off; determine the work to be performed by employees; discipline employees for misconduct on the job or other violation of rules and discharge employees for just cause.

B. Any aspect of Company provided benefits not covered by a specific provision of the Agreement or any other signed agreements is agreed to have been expressly eliminated as a subject for bargaining and during the term of the Agreement may not be raised for future bargaining or negotiations even though such benefit may not have been within the knowledge or contemplation by one or both of the parties at the time they negotiated or signed this Agreement. It is understood and agreed that included among the rights retained by the Company under this Paragraph is the right to modify or terminate any such benefit.

C. Other functions of Management include the right to determine the qualifications for and select its managerial and supervisory forces; select and hire new employees and determine the qualifications needed; determine the number of employees it will have in its service at any time; prepare job titles and definitions; adopt, and revise when necessary, reasonable rules and regulations governing the operation of its business and the conduct of its employees on the job; introduce new plants and facilities; relocate facilities; discontinue the operation of plants and facilities and introduce new methods to improve operating efficiency.

D. The Company will have the right to contract out work when needed skills are not available from present employees; when public and customer relations require it; when present employees cannot complete the work in the required time; when it is economical to do so; or when peaks of work would require a temporary increase of the Company's forces with subsequent lay-off of such additional forces. No employee will be laid off or suffer loss of regular straight time pay as a result of this provision.

E. It is understood and agreed, however, that the functions of Management referred to in this Section 5 are not all-inclusive and that the omission of any of the usual inherent and fundamental rights of Management does not constitute a waiver of such rights by the Company.

Section 6. No Strikes or Lockouts

A. Under no circumstances shall there be any strike, stoppage, cessation of work, sympathy strike, slow down, picketing, concerted refusal to work overtime, concerted mass sickness, continuous Union meetings, labor holidays or other interference with or interruption of the Company's business during the term of this Agreement.

Any employee who violates the foregoing provisions shall be subject to immediate discharge. Such discharge shall not be subject to arbitration except on the limited issues as to whether the employee has engaged in the prescribed activity. Under no circumstances shall there be any lockout during the term of this Agreement.

Section 7. Meetings and Conferences

A. The Company agrees that its accredited representatives will meet with the accredited representatives of the Union on all questions that may arise under the provisions of this Agreement.

B. When meetings are arranged and are to be held during working hours, each Union representative who is an employee of the Company shall give his immediate supervisor at least twenty-four (24) hours' notice, when possible, prior to any such meeting, in order that arrangements can be made to relieve him from duty.

C. Union representatives who are employees of the Company will be paid at their regular rates for time spent during scheduled working hours while attending such meetings, and will be paid for travel expenses (mileage reimbursement per Exhibit E, tolls and parking). Lodging, meals or any other expenses will not be paid, unless the parties specifically agree otherwise. These types of meetings include Voluntary Protection Program (VPP), Health & Safety Committees, Job Safety Analysis (JSA), and other meetings/conferences agreed to by the Company. Company approval is required for the number of paid participants for each of these meetings and conferences. Union representatives will not be paid for time spent in attendance at arbitration cases.

D. The Company will pay eight (8) Union representatives who are employees of the Company their regular rates for time spent during scheduled working hours while attending joint meetings for the purpose of contract negotiations. They will not be paid for any expenses incurred.

E. The designated representatives of the Company and the Union shall conduct joint Meet and Discuss Sessions on items of mutual interest. Requests shall be made by either party in writing and the parties shall then mutually agree to meet within a reasonable period of time. This provision shall not alter the application or interpretation of the existing provisions of the Contract unless mutually agreeable to both parties.

Section 8. Use of Bulletin Boards

A. Bulletin board space provided by the Company for the use of the Union shall not be used by the Union or its members for disseminating propaganda of a controversial or political nature, nor the posting of notices of an inflammatory nature.

Section 9. Leave of Absence - Union Representatives

A. Employees elected or appointed to a Local 1600 Union Office requiring their absence from work, upon written request presented reasonably in advance, will be granted a leave of absence without pay, if the Company's operating conditions permit, for a period not to exceed three (3) years. Before a leave of absence is granted, the employee shall be required to undergo a physical examination, equivalent to the current pre-employment examination, performed by a qualified physician, to be paid by the Union, with results submitted to the Company's Medical Department. The employee will accumulate Seniority and Company Service during such leave of absence.

B. Individuals requesting a return from an authorized Local Union 1600 leave of absence, shall undergo a physical examination by a qualified physician, identical to the physical taken before beginning the leave of absence, to be paid by the Company prior to the return, with the results submitted to the Company's Medical Department. If the Company has had sufficient notice in writing, and the individual is medically qualified to perform the job duties of the former job classification, the individual shall be reinstated to that job classification at the former work location provided the individual is qualified to perform the work. If the individual is not medically qualified to be reinstated to the former job classification, the request for return will be referred to the Disability Committee for placement in accordance with Article VIII, Section 10 of this Agreement. Such person shall remain on leave of absence status until the Disability Committee provides a job classification.

When returning to the former job classification at the former work location, the employee with least seniority in that job classification at that work location shall return to his/her former job classification. Such return and any subsequent moves as a result of the reinstatement shall be administered in the same manner. Employees forfeit

any promotional opportunities which occurred during the leave of absence. When returned to employment, they shall be entitled to benefits set forth in this Agreement (see Article VII, Section 1, Paragraph D).

C. A Union representative, while on leave of absence, may participate in the following Company plans and the total cost of coverage under such plans shall be borne by the Union or the Union representative:

- (1) Group Life Insurance.
- (2) Retirement Plan.
- (3) Health Care Plan Options.
- (4) Accidental Death or Dismemberment.
- (5) Dental Plan Options.
- (6) Vision Care Plan.

ARTICLE III GRIEVANCE PROCEDURE

Section 1. Definition

A. The term grievance shall mean any dispute or disagreement arising over the meaning and application of the terms and provisions of this Agreement.

Section 2. Time Limits

A. Failure to comply with any of the prescribed time periods in each step of the Grievance Procedure contained herein, shall constitute forfeiture of the grievance by the delinquent party unless the parties have jointly agreed to waive such time limits.

B. The working days specified in this Grievance Procedure exclude Saturdays, Sundays and holidays.

Section 3. Grievances

A. Before a written grievance may be submitted, the aggrieved employee or the aggrieved employee and the Union Steward must discuss the complaint with the appropriate supervisors within five (5) working days from the date of occurrence giving rise to the grievance.

B. Grievances in order to be considered and be subject to adjustment must be made in writing, signed by the aggrieved employee, and must specify the Article and Section of the Agreement upon which the grievance is based, within ten (10) working days from the date of the complaint discussion. Any individual employee or group of employees shall have the right to present grievances and to have them adjusted, provided such adjustment is not inconsistent with the terms of this Agreement and a Union representative has been given opportunity to be present at such adjustment.

C. Grievances involving one employee shall be taken up with the employee's immediate supervisor.

D. Grievances involving more than one employee in the same general group (operators at one power plant, linemen in one region, clerks in one department, etc.) shall be taken up with the immediate supervisor of all the employees involved.

E. Grievances involving more than one employee not in the same general group, grievances of a system-wide nature, indefinite suspensions, and grievances by the Union against the Company may be taken directly to the Third Step of the Grievance Procedure by mutual agreement of the designated representatives of the Company and the Union.

F. Grievances involving the discharge of an employee may be taken directly to the Third Step of the Grievance Procedure by either party.

G. Within ten (10) working days of receiving the written grievance, the appropriate supervisor shall submit a written response to the grievant and a copy to the Union Steward.

Section 4. First Step

A. If the appropriate supervisor's response does not settle the grievance, then within ten (10) working days of

the aforesaid response, the grieving party shall notify the appropriate supervisor in writing that a disagreement still exists. Within ten (10) working days of the aforesaid notice the appropriate supervisors, Union Steward and employee shall meet to resolve the grievance.

Section 5. Second Step

A. If a satisfactory settlement is not reached in the First Step, then within ten (10) working days following the First Step meeting, the grieving party shall notify the appropriate supervisor in writing that a disagreement still exists. Within ten (10) working days of the aforesaid notice, the appropriate supervisors, Union Steward and Chief Steward shall meet to resolve the grievance.

Section 6. Third Step

A. If a satisfactory settlement is not reached in the Second Step, then within ten (10) working days following the Second Step meeting the grieving party shall notify the Director-Labor Relations that a disagreement still exists. Within thirty (30) working days the delegated representatives of the Company, the Union Steward, Chief Steward and Local President shall meet and endeavor to reach a satisfactory settlement. An International Representative of the I.B.E.W. may be present at this step only to assist the Local Union.

Section 7. Arbitration

A. If a settlement is not reached at the conclusion of the Third Step discussion and the grievance concerns the meaning or application of the terms of this Agreement, either party shall have the right to submit it to arbitration in the following manner:

- (1) A request for arbitration of said grievance must be submitted by either party to the other not later than fifteen (15) working days, but not thereafter, exclusive of Saturdays, Sundays and holidays from the last meeting held with the designated representatives of the President or said grievance shall no longer exist. In the event such written notice is given by either party to the other, within ten (10) working days steps shall be taken by the Company and the Union for appointment of an arbitrator, in accordance with the Labor Arbitration Rules of the American Arbitration Association as in effect on the date of execution of this Agreement. The findings of the arbitrator shall be binding upon both parties for the duration of this Agreement.
- (2) It is mutually agreed and understood by both parties hereto that the arbitrator shall have no power to add to, or subtract from, or modify any of the terms and provisions of this Agreement, or Agreements made supplementary hereto.
- (3) Each party shall bear the expenses of its witnesses and any other expenses incurred in the presentation of its case, and the other expenses incidental to arbitration shall be borne equally by the Union and the Company.

ARTICLE IV HOURS OF WORK, SCHEDULES AND OVERTIME

Section 1. Definitions

A. WORK WEEK: A work week consists of any seven (7) consecutive days designated by the Company. Whenever possible, the work week will contain five (5) eight (8)-hour scheduled work days. The present work week is seven (7) consecutive days ending Sunday midnight except in those cases where the W-day and ST-days span midnight.

B. WORK DAY (W-Day): A work day is normally the twenty-four (24)-hour period from midnight to midnight of the day on which an employee is scheduled to work. When a normal work day spans midnight, time shall be charged on the day in which the majority of hours is worked. When the normal work day is divided evenly before and after midnight, time shall be charged on the day on which work was started.

C. DAY OFF (ST-Day): A day off or an ST- (scheduled time off) day is normally the twenty-four (24)-hour period from midnight to midnight of the day on which an employee is not scheduled to work. When an employee's work day spans midnight, the employee's ST-day will be a twenty-four (24)-hour period commencing at the end of his normally scheduled hours.

D. NORMAL WORK SCHEDULES: Normal work schedules will specify for each employee the work week, the W-days, the ST-days and working hours of each W-day.

E. REGULAR RATE: The regular rate is the weekly rate divided by forty (40) hours.

F. OVERTIME RATES: Time and one-half is one and one-half (1½) times the regular rate. Double time is two (2) times the regular rate.

G. HEADQUARTERS: Headquarters are the respective locations established by the Company where employees report for work or work assignments.

H. EMERGENCY: An emergency is any situation wherein it is necessary for the Company and its employees to take immediate action in order to restore or maintain service to the public, prevent serious injury, save life, meet unforeseen responsibilities or prevent damage to property or interruption of service to the public.

Section 2. Working Hours

A. The parties hereto recognize that the business of the Company requires continuous operation for twenty-four (24) hours of every day. In such operation it is inherent that working schedules must be established by the Company and may from time to time be changed to meet changing conditions.

B. Normal work schedules will be established by the Company and posted for each employee or group of employees.

Section 3. Temporary Changes in Working Hours and Work Schedules

A. Temporary changes in work schedules or working hours will be made:

(1) When an employee is substituting for another employee who is off duty. When notification of such substitution occurs after the beginning of a work week in which the substitution is to occur, only the working hours of the substituting employee's W-days will be changed for that work week. If the substitution extends beyond the end of the work week, or if the substitution starts at the beginning of a work week, the schedule of the substituting employee will be the normal work schedule of the relieved employee.

(2) When it is necessary to carry out work which must be done outside normal working hours, such as work on equipment which cannot be made available during normal working hours, and work in two (2) or more shifts on equipment which is out of service for overhaul or because of breakdown and which must be returned to service promptly. Except where otherwise provided in this Section, when such changes are made, (a) only the working hours of the W-days may be changed; (b) the ST-days will not be changed; (c) temporary schedules will be prepared and posted at the Headquarters of the employees involved; (d) such temporary changes in work schedules may be made on any day of the calendar week. Sub-sections (a) and (b) of this Paragraph A (2) shall not be applicable to employees involved in equipment outages that have a direct effect on the operating capacity of power generating stations.

(3) When an employee is scheduled to attend a formal training school or other Company training programs. In these cases, both the W-days and ST-days will be changed to conform with the training schedules. If the employee is notified forty-eight (48) hours before the beginning of that work week, overtime for a temporary change in work schedules will not apply.

B. An employee working on a temporarily changed schedule may be returned to his normal work schedule at any time. Lunch periods established for such schedules shall not exceed one hour.

C. Normal work schedules will not be changed temporarily for short emergencies. When an employee is called out for emergency work, he ordinarily will be dismissed when the emergency is over.

D. Changes other than those of a temporary nature in normal work schedules will be made when justified by experience or changed conditions. Such changes may become effective at the beginning of any work week and notice thereof shall be posted at least forty-eight (48) hours before the beginning of that work week.

E. See Exhibit F for application of Section 3 and Section 4.

Section 4. Overtime

A. The following will be considered overtime and paid for at time and one-half:

- (1) Hours worked outside of scheduled hours; i.e., normal work schedule or temporarily changed schedule, whichever is in effect at the time.
- (2) Hours worked on the first W-day of a changed shift schedule providing a substitution for an employee off duty, which had not been scheduled for the substituting employee prior to quitting time on the last W-day of the work week preceding the substitution. This applies only to the first such change in any work week. For the purpose of this Paragraph, such changed shift schedule is one which involves a change from one shift to another—day shift to middle or night shift, etc., and does not include either a change involving only different hours in the same shift or a return from a temporary shift schedule to a regular shift schedule.
- (3) The first eight (8), ten (10), or twelve (12) hours of a regularly scheduled shift while working on a temporarily changed schedule as provided in Section 3 A (2) of this Article IV where the temporary change in work schedule requires a change in the employee's starting time from one group of hours to another as shown in the following table:

STARTING TIME	GROUP
5:00 A.M. to 12:59 P.M.	I
1:00 P.M. to 8:59 P.M.	II
9:00 P.M. to 4:59 A.M.	III

- (4) Hours worked by an employee who is called out to work during his vacation. This is in addition to his straight time vacation allowance pay.

B. The following will be considered overtime and paid for at double time:

- (1) Any hours worked on the second ST-day in a work week.
- (2) Each consecutive hour worked immediately following sixteen (16) consecutive hours worked.

C. Work on a Contract Holiday/Actual Holiday (Article VII 4 B) will be paid for as follows:

- (1) When it is a W-day, all scheduled hours worked will be paid for at time and one-half. In addition, straight time will be paid for the scheduled hours.
- (2) When it is an ST-day, the number of hours actually worked, which would have been scheduled for the employee if it were a W-day or which were scheduled for the employee for whom he is substituting, will be paid for at:
 - (a) Double and one-half time, when it is the second ST-day in a work week.
 - (b) Double time on the first ST-day.
 In addition, straight time will be paid for such hours.

- (3) All other hours worked will be paid for at double time.

D. When working at foreign utilities during emergency conditions, employees will be paid for all compensable hours at one-half time premium over their regular hourly rate in addition to the Labor Agreement's normal pay practices.

Section 5. Rest Periods

A. Rest periods shall be applicable in accordance with the following provisions when employees are called out or when arrangements are made in advance for work during non-scheduled hours provided employees are eligible as defined in the "Rest Period Rules" of Exhibit B of this Agreement.

B. Employees working for a period that consists of at least three (3) overtime hours, and up to sixteen (16) consecutive overtime hours, shall be entitled, when relieved from duty, to a rest period as shown on the table in Exhibit B. If scheduled hours fall within the time designated as a rest period, the employee will be paid straight time pay for these scheduled hours. Employees required to work during scheduled hours that fall within the prescribed rest period, will receive pay at time and one-half the employee's straight time rate for such hours worked.

C. Employees working sixteen (16) or more consecutive hours shall be entitled, when relieved from duty, to an eight (8)-hour rest period or a rest period as shown on the rest period table, whichever is greater, without loss of straight time pay for scheduled hours falling within the rest period. However, employees required to work during this period will be paid two times the straight time rate for any hours worked within eight (8) hours after being released from the previous work period and their rest period will be calculated using the twelve (12)-hour cumulative rule as provided for in Exhibit B.

D. The intent of rest periods is for employees to be released from work when they have worked sufficient overtime hours to become eligible for a rest period. If an employee requests to be released on rest period, their request shall be granted unless there is an emergency or the company is unable to obtain relief, when necessary.

E. The rest period table as described in Paragraphs B and C of this Section 5 is not applicable to vacation days, holidays, paid personal time off and ST-days.

Section 6. Exempt - Non-Exempt Employees

A. Both parties recognize that certain employees covered by this Agreement are in jobs which are exempt from the provisions of the Fair Labor Standards Act and that employees may be hired or transferred to new jobs which will likewise be exempt. In order to meet the requirements of the Act, the Company will continue to classify all employees as exempt or non-exempt.

B. Some of the jobs may be of such nature that the work cannot be scheduled to conform to a definite schedule (such as a forty (40)-hour week or five (5) eight (8)-hour days) and that, therefore, the overtime provisions of this Agreement may not be applicable to these jobs.

C. It is agreed that for any new jobs in which there are employees eligible for Union membership, the Union and Company will jointly determine whether the work is of this nature.

Section 7. Residence Requirement

A. Employees in the job classifications listed below must reside within thirty (30) miles driving distance between their home and their Job Headquarters.

Customer Service Clerk (Customer Contact Center)

Customer Service Assistant III

Customer Service Representative

Customer Service Representative-Shift

Electrician Leader-FS (UG, Subs and Network)

Electrician-Nuclear

Electrician Leader-Nuclear

Equipment Operator-FS

Helper-Electrical-Nuclear

Helper-FS Regional Electrical (UG, Subs and Network)

Helper-FS Regional Mechanical

Helper-FS Regional T&D

Helper-Mechanical-Nuclear

Instrument Man

Instrument Man-Trainee
Journeyman Electrician-FS (UG, Subs and Network)
Journeyman Electrician Trainee (UG, Subs and Network)
Journeyman Electrician-Nuclear
Journeyman Lineman-FS
Journeyman Lineman Trainee-FS
Journeyman Mechanic-FS Regional
Journeyman Mechanic Trainee-FS Regional
Lineman Leader-FS
Material Handler-RM
Mechanic Leader-FS Regional
Mechanic-Nuclear
Mechanic Leader-Nuclear
Troubleman-FS
Senior Customer Service Representative

Anyone who enters these progression lines or changes work location by promotion, demotion, or transfer must meet the residency requirement.

B. Employees at Susquehanna S.E.S. in all job classifications, (excluding steno and clerical, Warehouse Operations, and Utility Workers-SSES), must reside within thirty (30) miles driving distance between their home and their Job Headquarters, unless agreed to otherwise by the parties.

Section 8. Call-Out Roster

A. It is understood that all employees of the Company shall be considered as subject to call-out for emergencies or prearranged work at any time. Whenever necessary, the Company will maintain at the respective Headquarters a roster of certain employees likely to be called and will select from these lists on a rotating or cumulative overtime basis as applicable such available employees as are needed. The purpose of this arrangement is to provide an equitable distribution of overtime work when required. Being subject to call-out is not to be considered as hours of work and no additional compensation will be paid to cover this responsibility. The Company will maintain records of overtime worked or offered by job classification. However, full equalization of overtime cannot be guaranteed. See Exhibit H for Cumulative Overtime Procedures.

B. Employees who exhibit a poor call-out response record shall be subject to Article VI, Section 5, Paragraph J and Article VIII, Section 2, Paragraph F of this Agreement.

C. Employees who have completed sixteen (16) or more hours of consecutive work and have been released from work assignments will not be called out to work, regardless of their position on the call-out roster, during an eight (8)-hour period following completion of the work, unless it becomes impossible to secure qualified replacements.

Section 9. Call-Outs

A. When an employee is called out to work during non-scheduled hours, he shall be paid overtime compensation for the actual time worked. A minimum compensation equal to four (4) hours' pay at straight time shall apply when it exceeds the amount of overtime compensation earned during the call-out.

B. In the event the call-out occurs on a Contract Holiday/Actual Holiday (Article VII 4 B), the employee shall be compensated in accordance with this Section 9, or the provisions of Section 4C of this Article IV, whichever is greater.

C. The minimum compensation is not to apply in cases where an employee is called out immediately preceding his scheduled working hours of a W-day and the minimum time period overlaps his scheduled hours.

D. In order to determine the number of employees to be called out for distribution line work, the guidelines described in Exhibit C shall be followed.

Section 10. Prearranged Work

A. When arrangements are made in advance for work during non-scheduled hours, the employee will be paid for the actual time worked. The minimum compensation, if he worked, or if he reported and the job was canceled, shall be an amount equal to four (4) hours' pay at straight time and shall apply when it exceeds the amount of overtime compensation earned during the period. In the event the prearranged work occurs on a Contract Holiday/Actual Holiday (Article VII 4 B), the employee shall be compensated in accordance with this Section 10 or the provisions of Section 4C of this Article IV, whichever is greater.

B. The minimum compensation is not to apply in cases where an employee reports for work immediately preceding his scheduled working hours of a W-day and the minimum time period overlaps his scheduled hours.

Section 11. Overtime Premium

A. The Company shall provide an overtime premium payment to an employee that is equivalent to 5% of total overtime compensation earned by the employee, payable each pay period in accordance with the formula described in the Summary of Agreement dated July 2, 1982.

Section 12. Job Canceled

A. Employees will be informed of job cancellations as soon as possible.

B. The minimum compensation referred to in Sections 9 and 10 of this Article IV will not apply:

- (1) When a call-out is canceled and the employee is notified before leaving home.
- (2) When a prearranged job scheduled for Saturday is canceled and the employee is notified of the cancellation by quitting time of his last scheduled workday.
- (3) When a prearranged job scheduled for Sunday is canceled.

NOTE: It is the scheduled employee's responsibility to contact a predetermined employee after 7:00 P.M. Saturday but prior to the starting time of the prearranged job to determine whether there has been a cancellation.

- (4) When a prearranged job, for any time other than Sub-Section (2) and (3) above, is canceled and the employee is notified before he leaves home and at least one (1) hour before he is scheduled to report at Headquarters or on the job.

C. If the job is canceled after the time limitations specified in Paragraph B (2), (3) and (4) of this Section 12, the employee may elect to either report or accept the job cancellation. If reporting, they will be given First Aid, Safety or other instructions or other work, and will be allowed the minimum compensation, provided they accept these miscellaneous assignments. If the employee accepts the job cancellation and elects not to report to work, the minimum compensation shall not apply. Employees who report for work and are not offered any other assignments will be eligible for the minimum compensation.

Section 13. Shift Differentials

A. A shift differential for hours worked will be paid to employees working on an established rotating or alternating shift job or an established fixed shift job whose shift is regularly scheduled to start during the Afternoon Shift or Night Shift as part of their regular work week.

B. A shift differential will be paid as an addition to the regular straight time hourly rate to an employee who is regularly scheduled and works on the Day Shift, Afternoon Shift or Night Shift Saturday or Sunday; the Afternoon Shift or Night Shift, Monday through Friday, as follows:

STARTING TIME	SHIFT	SHIFT DIFFERENTIAL
5:00 A.M. to 12:59 P.M.	Day (Monday to Friday)	None
5:00 A.M. to 12:59 P.M.	Day (Saturday or Sunday)	\$1.90 per hour*
1:00 P.M. to 8:59 P.M.	Afternoon	\$1.90 per hour*
9:00 P.M. to 4:59 A.M.	Night	\$1.90 per hour*

*Shift Differential per hour rates will be effective and increased as follows: May 11, 2015 to \$1.95, and May 9, 2016 to \$2.00 per hour.

C. For purposes of applying the aforesaid shift differential, all hours of the regularly scheduled work day period worked by an employee shall be considered as worked on the shift on which he is scheduled and starts work.

D. Shift differential shall be computed at the appropriate rate of pay up to a maximum of double time the shift differential applicable to the shift in which the overtime hours occurred.

E. An employee temporarily assigned to work in a shift job, or as a replacement for a regular employee in a shift job, shall be paid for the hours so worked the shift differential applicable to the assigned shift job.

F. A shift differential will not be allowed in connection with payment for any overtime worked outside the time limits of his normal regular day schedule by an employee assigned to day work. However, such an employee whose entire regularly scheduled straight time work-day period is temporarily changed to start during the Day Shift, Afternoon Shift or Night Shift Saturday or Sunday; the Afternoon Shift or Night Shift, Monday through Friday shall be paid as an addition to his straight time rate the shift differential applicable to the changed shift on which the employee starts work, until he is returned to his regular schedule.

G. No shift differential shall be included in pay received for vacation, sick leave, jury duty, holiday off with pay, other time off with pay, for holiday pay on a holiday worked or in the calculation of minimum pay under the call-out provisions included in this Agreement.

ARTICLE V SENIORITY

Section 1. New Employees

A. Seniority will be credited to an employee only after six (6) months of continuous employment but shall include this first six (6) months' period. During this six (6)-month period, the employee shall be considered probationary and the Company shall have the sole and exclusive right to discharge such employee and Article III of the Agreement shall not apply.

Section 2. Promotions – Transfers – Demotions

A. The Company will give preference to the employee with seniority when fitness and ability among employees are substantially equal in considering them for the purpose of promotion, transfer or demotion.

B. For such purposes, employees in an established line of progression (such as operating jobs within a power plant, jobs within a coal gang, and line workers systemwide) will be considered before those not in that line of progression.

C. When non-supervisory employees covered by this Agreement are placed in supervisory jobs, their seniority, for this purpose, will be determined by the following:

(1) Temporary

(a) Non-supervisory employees who are promoted to supervisory positions when there is a temporary increase in work load; when additional temporary supervisory manpower is essential; or when other comparable situations arise have a right to return to their former job classification at their former work location for a period of six (6) months following their promotion; however, the employee will not accrue 1600 or job seniority for time spent as a supervisor and they will not pay Union dues or remain on the call-out roster. In this situation, 1600 or job seniority will not be a criteria for selection. In order to maintain rights in their former Union job, they must be returned to non-supervisory status within six (6) months of the temporary promotion. If they return after the six (6)-month period, they will be placed in an entry level position and for 1600 or job seniority purposes will only be considered to be ahead of other employees with less than six (6) months of Company Service. It is further understood that the utilization of this provision is not intended to provide temporary supervisors on a continual basis to circumvent the creation of permanent supervisors.

(b) Non-supervisory employees temporarily promoted to supervisory positions as substitutes for supervisors who are off duty for reasons such as sickness, injury, vacation, receiving training, military

service and jury duty will be selected by job seniority in the highest classification in the progression line at the work location provided fitness and ability are substantially equal. If the supervisory position needing to be filled has no bargaining unit progression line reporting to it, or it has more than one bargaining unit progression line reporting to it, the local Chief Steward or a Business Representative of Local 1600 will meet with the appropriate management personnel to identify the qualified employee for substitution. The employee selected will have the right to refuse the temporary promotion. In the event the employee refuses, the next qualified employee may be selected. In this situation the employee will continue to accrue job Seniority, pay Union dues, and remain on the call-out roster. Pay treatment will be in accordance with Article VI, Section 4, Paragraph A of this Agreement. However, this pay increase does not apply to those employees who substitute for supervisors as part of their normal job duties.

(2) Permanent

- (a) Non-supervisory employees who are promoted to supervisory positions have a right to return to their former job classification at their former work location for a period of six (6) months following their promotion. However, the employee will not accrue 1600 or job seniority for the time spent as a supervisor and they will not pay Union dues or remain on the call-out roster. In order to maintain rights in their former Union job, they must be returned to non-supervisory status within six (6) months of the promotion. If they return after the six (6)-month period, they will be placed in an entry level position and for 1600 seniority purposes will only be considered to be ahead of other employees with less than six (6) months of Company Service.
- (b) When former non-supervisory employees have held a supervisory position for six (6) months or longer and are returned to non-supervisory jobs, for disability reasons only, they will be placed in such a manner as to be able to perform meaningful work without adversely affecting the job seniority or overtime of employees in that line of progression. These cases will be referred to the Disability Committee for resolution.

- D. (1) A transfer in this Paragraph D is defined as a change from one job to another in the same job classification and progression line.
- (2) Employees cannot transfer to a job in the same progression line or change jobs to other progression lines during the first six (6) months of employment. Employees will be considered for promotions in their line of progression during the first six (6) months of employment based on their ability and job seniority. For posted job vacancies, employees with less than six (6) months' Company Service may submit job bidding forms. However, only employees who have attained six (6) months' Company Service must be given consideration for the posted job.
- (3) Transfer requests shall be made in writing by the employee before a vacancy exists and employees shall forward a copy to the Local Union Business Office. For seniority purposes, employees requesting a transfer will be considered on the basis of their job seniority in comparison to the job seniority of employees in the next lower job classification in the progression line. Transferred employees will retain their job seniority date for promotional purposes only.
- (4) Employees with more than six (6) months Company Service voluntarily requesting a transfer within the same job classification and same progression line are restricted to one (1) transfer every five (5) years for each job classification. This applies to all job classifications and all progression lines. No transfer requests will be allowed across progression lines.

An employee who was displaced and obtains a job at a different facility within their progression line will have no time limits for honoring transfer letters as long as they are attempting to return to the facility they were originally displaced from. This would also apply if they were attempting to return to any closer facility within their progression line. For example, if an employee was displaced from a job at the Harrisburg SC, and obtained a job in the placement process at the Newport SC, he would be allowed to submit transfer requests to either West Shore SC or Harrisburg SC without the five (5)-year restriction.

- (5) Employees in the Office Jobs Concept with more than six (6) months Company Service requesting to change jobs to other progression lines must enter those progression lines at bottom entry level jobs.

For seniority purposes, employees changing jobs to other progression lines will receive a new job seniority date effective the start of the first pay period after notification of selection.

- (6) Employees with more than six (6) months Company Service transferring on posted job vacancies will not be restricted to the one (1) transfer rule. For seniority purposes, employees transferring on a posted job vacancy within the same progression line will retain their original job seniority date. Employees who change jobs to other progression lines as a result of bidding on a posted job vacancy will receive a new job seniority date effective the start of the first pay period after notification of selection.
- (7) Voluntary return rights within the first six (6) months of a job change shall be restricted to progression line promotions and posted jobs. Employees who accept a posted position at a location and voluntarily return during their probationary period will not be permitted to rebid the same job classification at that location for four (4) years.
- (8) Employees entering Apprenticeship Programs on or after August 2, 1982 are restricted from bidding into other Apprenticeship Programs after the six (6)-month probationary period has been completed.

E. The Company may administer tests for determining the aptitudes of employees being considered for entry level positions and for entry into formal training programs. After suitable training, tests of achievement and ability may be administered for the purpose of determining qualifications for progression within formal training programs, and to comply with governmental regulations.

Employees will not be required to successfully complete tests to retain a job classification unless periodic testing is specifically required as a part of a formal training program or by governmental regulations. If an employee successfully performs a job for six (6) months within the past five (5) years without having taken the appropriate entry test(s), this test(s) will be waived for this employee.

Employees who fail a minimum entry test two (2) times will be restricted from re-testing for a period of six (6) months from the date of the second test. If the employee can show the Company that they have made efforts to improve their skills, the six (6) month restriction will be waived.

Employees who meet or exceed test cut-off scores will be considered to have passed the test on an equal basis, and will be considered for job openings in accordance with Article V, Section 2, Paragraph A of the Labor Agreement.

The confidentiality of all tests shall be preserved and actual test questions, employee answer sheets and individual test scores will not be released by the Company. The Company will review actual test questions and results with employees upon request, for all skill assessment tests for purposes of identifying strengths and weaknesses. Upon request the Company will continue its practice of reviewing the areas of strengths and weaknesses related to aptitude tests with employees.

If a question arises regarding test administration or the validity of a test relative to the job in question, it may be submitted through the Grievance Procedure of Article III for resolution. It is further understood that tests and agreements on testing reached prior to August 2, 1982 will remain in effect and for the purpose of filling job vacancies, the Company may administer tests to determine job qualifications, which will be discussed with the Union prior to implementation. Any resulting disputes may be submitted through the Grievance Procedure.

F. If an employee voluntarily quits, or was discharged for cause, and is rehired, he will not receive credit for his previous period of Company Service. If an employee is reemployed within two (2) years after layoff, he will receive credit for Company Service and 1600 Seniority, but will be given a new job seniority date.

G. Seniority will not be considered when it is necessary to rearrange temporarily an employee's duties to meet an emergency.

H. The Company will notify the Local Union President before the effective date of any promotion, transfer, demotion or lay off. If a disagreement arises concerning the Company's decision involving fitness, ability and/or seniority, such disagreement may be submitted under Article III of this Agreement.

I. The Company will provide the Union with monthly computer updates of employee information as agreed to in the Memorandum of Agreement signed April 6, 1987.

J. If an employee, selected to fill a job vacancy, is delayed in reporting to such job because the Company is unable to release him, he will be credited with seniority from the start of the first pay period after the notification of his selection. If the new job represents a promotion for the employee, the employee will receive the appropriate pay credit two (2) pay periods following the start of seniority credit, and will be considered on probation for a period of six (6) months from the day the employee reports to the new job. In the event the new job represents a transfer or demotion, the employee will receive the appropriate pay credit and begin the six (6) months probationary period at the time the employee actually reports to the new job.

K. Voluntary and involuntary job changes shall be handled as follows:

- (1) When employees voluntarily or involuntarily demote in the same line of progression during the six (6) months' probationary period, they will demote to their former job classification at their former work location. They will receive job seniority in the lower classification for all time spent in the higher classification. Employees voluntarily or involuntarily returning from a job in another line of progression during the six (6) months' probationary period will return to the job classification at the work location where they last satisfactorily completed their probationary period. Employees voluntarily returning will receive no seniority credit in the job they return to for the time spent in the other progression line. However, seniority credit will be resumed starting with the first pay period after receipt of their written request to return. Employees involuntarily returning will receive seniority credit in the job they return to for the time spent in the other progression line.
- (2) When employees involuntarily demote in their progression line after the six (6) months' probationary period for reasons other than displacements, they will return to the next lower job classification they are capable of performing satisfactorily, which may result in subsequent promotions for other employees in the line of progression, unless a vacancy exists in the lower classification. Employees will receive job seniority credit in the lower job classification for the time spent in the higher classification.
- (3) When it is necessary to involuntarily return employees to jobs outside their progression line after the six (6) months' probationary period, consideration will be given to the employee's previous Company Service and experience. New seniority date for progression line and/or department service shall be established effective the date of the employee's return. If such employees are returned to the job they previously held because a non-supervisory employee promoted to a supervisory position and subsequently returns within six (6) months of that promotion, the returned employee will receive seniority credit in the job they return to for the time spent in the other progression line.
- (4) To demote voluntarily after the six (6) months' probationary period, employees may request to be placed in a vacancy in a lower job classification in their progression line. If the employee did not previously hold the lower job classification satisfactorily, the Company will compare duties found in the higher classification with those in the lower classification when considering these demotion requests. If a disagreement arises, the Union retains its rights under Article III. If a vacancy is not available and it is possible to demote the employee to a job classification in the progression line through subsequent promotions in the progression line, with the approval of the Company and Local Union Office, such a move may be initiated. For job seniority purposes, the employee will receive no seniority credit in the lower classification for time spent in the higher classification. However, if the employee subsequently promotes to the higher classification, he will be credited with the time previously held in the higher classification.
- (5) When a vacancy occurs within a progression line and employee requests for demotion and/or transfer are on record prior to the vacancy, they will be considered along with promotional candidates. Employees shall forward a copy of the demotion or transfer request to the Local Union Business Office. For seniority purposes, the consideration order will be determined by comparing their job seniority in their respective job classifications. The employee with the greatest job seniority date will receive first consideration.

L. Posting Jobs

When a vacancy exists and a replacement is not available from the method of filling vacancies prescribed in Section 2 of this Article V, the Local Union Chief Steward and the responsible Management representatives shall arrange to post, for seven (7) calendar days, a notice of the vacancy to the extent deemed necessary and receive bids for the job. Employees desiring to be considered must make application during the prescribed period to the appropriate Management representatives and shall forward a copy to the Local Union Business Office. The Local Union Office and the employees making application will be notified of the results of each posting and the IBEW Local 1600 Seniority date used to select the successful bidder. **For the purposes of administering this paragraph the Company may utilize a web-based system for posting vacancies, bidding on vacancies and all notifications to employees. Such notice of vacancies shall be posted for ten (10) calendar days.**

M. Entry Level Jobs

- (1) When vacancies exist in the following entry level jobs, they shall be filled in the subsequent manner:

Communications Maintenance Technician Assistant
 Drafter-Level I
 Facilities Management Worker
 Handyman Brunner Island/Montour
 Handyman-Effluents
 Handyman-System Shops
Operator Helper Susquehanna
 Surveyor-Level I
 Technician-Trainee (reference MA 01-9910)
 Transportation Handyman

- (a) The first and second vacancy shall be posted systemwide for all employees. For seniority purposes they will be considered on the basis of their I.B.E.W. Local 1600 Seniority.
- (b) The third vacancy shall be filled by a newly hired employee. If no one bids the first or second vacancy, a new employee will be hired.
- (2) The jobs of Steno/Clerk-Entry, Clerk-Cash Receipts, Administrative Support Clerk, Call Center Representative, Enrollment Billing Clerk, Logistics Worker and **Customer Service Assistant I** will be filled by newly hired employees.
- (3) When vacancies exist in the following job titles, the first and second vacancy shall be filled by newly hired employees: Assembler, Facility Worker-Peaking Power, **Helper-Electrical-Nuclear**, Helper-FS Generation-Electrical, Helper-FS Generation-Electrical-Shift, Helper-FS Generation-Mechanical, Helper-FS Generation-Mechanical-Shift, Helper-FS Regional-Electrical-Subs, Helper-FS Regional-Electrical-UG/N, Helper-FS Regional-T&D, **Helper-Mechanical-Nuclear**, Helper-RM-Material, **Instrument and Control Technician Helper-Susquehanna**, Laborer-Mechanical, Service Tech Entry, and **Handyman-Effluents**.
 The third vacancy shall be posted systemwide for all employees. For seniority purposes, they will be considered on the basis of their IBEW Local 1600 seniority. If no one successfully bids and accepts the third vacancy, a new employee will be hired.
- (4) Employees in the Office Jobs Concept may submit a written request for a job change to a vacancy in the positions of Steno/Clerk-Entry, Customer Service Clerk (regional progression lines only), Enrollment Billing Clerk and Clerk-Cash Receipts, and will be given consideration for vacancies in accordance with Exhibit I. Employees outside the Office Jobs Concept may also request to fill a vacancy in one of these positions and will be considered for every third vacancy in accordance with Exhibit I, provided all requests from Office Jobs Concept employees are considered and they are qualified to perform the job. When several employee requests are on record for an Office Jobs Concept vacancy and they meet the selection criteria for a job vacancy, the qualified candidates shall be considered on the basis of their I.B.E.W. Local 1600 Seniority.

N. Above Entry Level Jobs

- (1) For those Advanced Level Office Jobs Concept positions in the General Office that are posted, General Office OJC employees will receive first consideration. For seniority purposes they will be considered on the basis of their General Office OJC seniority. **Those bidders outside of the General Office OJC will be considered second based on their IBEW Local 1600 seniority.**
- (2) If vacancies occur in other jobs and they cannot be filled in accordance with normal procedures, they shall be posted systemwide for all employees. For seniority purposes, they will be considered on the basis of their IBEW Local 1600 Seniority.
- (3) If no one successfully bids the vacancy, a new employee will be hired.

O. In the event the successful bidder for a posted job returns to his/her former job classification within the six (6) months' probationary period, the same job vacancy number and list of bidders will be utilized to fill the vacancy. However, if the successful bidder promotes in the line of progression or bids and accepts another posted job vacancy during the six (6) months' probationary period, the vacated job will be filled in accordance with the requirements of the next vacancy number.

P. For purposes of this Agreement, I.B.E.W. Local 1600 Seniority shall constitute all service accrued in the former Employees Independent Association, former I.B.E.W. Local 1520, former U.W.U.A., former Hershey Electric Company, former Pennsylvania Mines Corporation, and any time in I.B.E.W. Local 1600.

Section 3. Lay Off

A. <6 Months Employees with less than six (6) months service are subject to lay off without regard to function or departmental manpower requirements. During this six (6) months period, the Company shall have the sole and exclusive right to lay off such employee and Article III of the Agreement shall not apply.

B. ≥6 Months Regular, full-time employees covered by this Agreement with six (6)-months or more service may be subject to lay off in accordance with this Article.

C. Notification The Company will notify full-time employees ten (10) working days, exclusive of Saturdays, Sundays and holidays, prior to the effective date of lay off, provided such employee has attained 6 months of continuous service.

Section 4. Specific Temporary Employees

A. Personnel employed by the Company for temporary work, not to exceed nine (9) months, shall be designated as "specific temporary." They shall not accrue job seniority and/or Company Service for the duration of their employment, and shall have no bidding rights. Upon completion of the temporary work, they shall be terminated.

The rate of pay for specific temporaries shall be no less than the minimum of the job classification for which they are employed, not to exceed the equivalent of a B-3 rate of pay. They will be required to comply with Article II, Section 1 of this Agreement. Employee benefits and entitlements will be limited to: Workers' Compensation and Accidental Death and Dismemberment Insurance; time and one half for all hours over eight (8) on a W-Day; time and one half for all hours worked on the first ST-Day; time and one half for all hours worked on a holiday; double time for all hours worked on the second ST-Day; double time for sixteen (16) or more consecutive hours; change of shift premium; shift differential and meal allowances. The Company will have the sole and exclusive right to terminate such employees and Article III of the Agreement shall not apply.

This provision will not limit the Company's right to contract out work as stated in Article II, Section 5, Paragraph D, or Article XIII, Section 2, Paragraph E (1).

Section 5. Part-Time Employees

A. Personnel employed by the Company for situations where there is no need for a full-time position, less than 20 hours per week, shall be designated as "part-time worker." The need for using such employees will be reviewed with representatives of Local 1600 prior to the commencement of such work. If there is a reduction in the workload at any location in such classifications the part-time employees will be released prior to affecting the full-time employees.

B. The rate of pay for part-time employees will be the first step of the appropriate salary table for the classification of work for which they are hired. With satisfactory performance, progress to the subsequent salary table steps will be at 26 pay period intervals. Part-time employees will be eligible to bid on full-time positions based on their qualifications prior to the hiring of a new full-time employee. They will be considered after all full-time employees who bid the same vacancy. Their seniority rights relative to other part-time employees will be based on their respective dates of hire.

C. Employee benefits will be limited to: Health Care Coverage - eligible after 30 days of employment with employee payment of 20%; Vacation - forty (40) hours a year after one year of employment; Holiday Pay - eligible if a regularly scheduled W-day; Personal Time Off (Mini-Vacation) - eight hours mini-vacation per year; Sick Leave - up to 24 hours per year after three (3) months of employment; Employee Savings Plan - eligible after one year of employment; Flexible Spending Accounts - eligible after one year employment; Accidental Death or Dismemberment - equal to three (3) times annualized base pay; Group Life Insurance - \$10,000 and Workers' Compensation - eligible.

D. Specific rules and guidelines for part-time employees in the Customer Care Center are addressed in Article XIV.

ARTICLE VI JOB DESCRIPTIONS, CLASSIFICATIONS AND SALARY TABLE PROCEDURES

Section 1. Job Descriptions - Classifications

A. The Company will maintain job titles and descriptions, job classifications and salary tables in order to secure a uniform and orderly method of determining compensation for various duties performed.

B. As needed to meet changed needs or conditions, management retains the right to prepare new, eliminate old, revise or modify job descriptions, qualifications and job classifications.

In the event a new or revised job is of substantially different content or qualifications than previously existed in the classification, the rate of pay shall be negotiated. Pending conclusion of the negotiations, affected employees shall be paid pursuant to management's initial proposal. In the event that the parties reach an impasse in their negotiations, the matter will be submitted to the process provided for under Exhibit M.

C. The job description for each employee describes, in general, his responsibilities and the duties he is expected to perform. All bargaining unit job descriptions shall be deemed to contain the phrase "Performs such other related duties as assigned or as necessary", which is intended to cover:

- (1) The performance of any assignments of lower classifications (or level of work).
- (2) The performance of any assignments of same classifications (or level of work) which are not specifically enumerated in the job description.
- (3) The performance of any assignment of higher classifications (or level of work) which is required in emergencies or to help for short and intermittent periods, or as a recognized part of the employees' training and progression.

Further, these duties shall also include other work for limited periods when necessary to meet service requirements or to substitute for sickness or vacation; or when normal work is slack; or while training for advancement to higher jobs.

The statement, "Duties include, but are not limited to" precedes a statement of the predominant and most important duties of the job. It is not practical to list in detail all duties that may be included, but all of major importance, both in determining the rate for the job and in time consumed, will be enumerated, and duties not enumerated will be incidental or of minor importance.

D. The number of employees in each job title is limited by the amount and the nature of the work to be done. If a job vacancy occurs, the Company will notify the Union within three (3) weeks thereafter whether such vacancy will be filled.

Section 2. Salary and Hourly Wage Tables

A. This agreement provides for a general wage increase for all employees of **2.5% effective May 12, 2014; 2.5% effective May 11, 2015; and 2.75% effective May 9, 2016.**

B. See Exhibit A for Salary and Hourly Wage Tables.

Section 3. Combination Jobs

A. When an employee has a relief or utility job title and regularly works in two or more job classifications covered by this Agreement, the rate of pay for this combination job shall be the average of the rates applicable to the two highest jobs in which he regularly works.

Section 4. Temporary Transfers or Substitutions

A. When an employee temporarily relieves or substitutes for an employee in a higher classification who is off duty with regular pay due to sickness or injury, he shall be paid at the rate of his regular classification during such period of substitution. When the pay of the relieved employee is reduced during the period of substitution, or the relieved employee has been off duty for two (2) pay periods, the employee selected to fill the job shall then be paid the appropriate rate of the relieved employee's classification. When an employee temporarily relieves or substitutes for an employee in a higher classification due to vacation or other absence, he shall be paid at the rate of his regular classification during such period of substitution.

B. An employee who temporarily relieves or substitutes for an employee in a lower classification shall continue to receive the pay of his regular classification.

C. When one employee is substituted for another in a shift position, and a choice cannot be made without overtime, an employee with the same job title as the absent employee will be selected where possible. This provision will not increase overtime payments over the minimum necessary to accomplish substitution.

Section 5. Salary Progression for New, Reemployed, Rehired, Promoted, Transferred and Demoted Employees

A. **NEW EMPLOYEES** hired to fill any of the jobs covered by this Agreement shall be considered probationary for the first six (6) months of their employment. For jobs with multiple step increases, they shall be hired at the First Step and will receive the Second Step at the end of six (6) months, if they are to be continued in the Company's employ beyond the end of that period. Employees on the "A" salary table receive step increases in accordance with the appropriate Apprentice Program agreements.

B. **STEP INCREASES FOR NEW EMPLOYEES** who have completed their probationary period and who are performing satisfactorily in their jobs shall be made at salary table intervals measured from the date the Second Step was attained.

C. REEMPLOYED EMPLOYEES:

- (1) Those who had been laid off, but still retain their 1600 Seniority and Company Service, will be given the salary table rate to which they are entitled by a consideration of their Company Service. First step if Company Service is less than one (1) year; second step if Company Service is one (1) year or more but less than 5 years; third step if Company Service is five (5) years or more.
- (2) Step increases for reemployed employees who are performing satisfactorily in their new jobs shall be made at salary table intervals.

D. REHIRED EMPLOYEES

- (1) Those who resigned, were discharged, or were laid off and no longer retain their 1600 Seniority or Company Service, will be given:
 - (a) The First Step, if their previous service with the Company was less than one (1) year.
 - (b) The Second Step, if their previous service with the Company was one (1) year or more.

E. PROMOTED EMPLOYEES are those assigned to a job in a higher classification for which the maximum weekly rate is \$5.00 or more above the maximum rate for the old job. They will be considered as on probation for the first six (6) months in the new job. The salary table step for promoted employees will be the next higher rate above their present rate which provides an increase of \$5.00 per week, or the Third Step of the new rate (provided they have attained five (5) years Company Service), whichever is greater. Whenever the promotion date coincides with the date for a step increase, the step increase shall be made and the rate for promotion then determined.

Salary step treatment for employees on the "F" Table with less than two (2) years Company Service who promote to a new salary table group will be determined as follows:

- (1) Select "B" Table salary group that has a maximum rate corresponding to the "F" Table hourly rate.
- (2) Convert Company Service to a step on the "B" Table salary group.
- (3) Apply rules for promotion from that step to the new salary table group.
- (4) The next step increase will be based on Company Service.

F. STEP INCREASES FOR PROMOTED EMPLOYEES who have completed their probationary period and who are performing satisfactorily in their jobs shall be made at salary table intervals measured from the date of promotion, except:

- (1) If the amount of the promotion increase of the new job is \$5.00 or more but still less than the amount of the next step increase the employee would have received in his old job, the date of his next step increase will be the date on which he would have received a step increase in the old job.

G. TRANSFERRED EMPLOYEES are those assigned to another job for which the maximum weekly rate is less than \$5.00 above or below the maximum rate for the old job. They will be on probation for the first six (6) months in the new job. Transferred employees will receive the salary table step for the new job corresponding to the step they attained on the old job. The next step date will remain the same. Employees transferring from single rate jobs on the "F" Table to another salary table who have less than two (2) years' Company Service will receive the salary step corresponding to their Company Service. The next step increase will be based on Company Service.

H. "A" SALARY TABLE: When employees on the "A" Salary Table change jobs to another salary table, their current step rate will be utilized to determine promotion, transfer or demotion.

I. DEFERRED STEP INCREASES: Step increases for employees who have been off duty for one (1) pay period or more, for reasons other than vacation, or step increases for employees on modified duty who are not performing the primary duties of their job description will be postponed for a corresponding period.

J. UNSATISFACTORY PERFORMANCE:

- (1) Any employee who is not performing satisfactorily in his job will be subject to demotion and, in unusual cases, to discharge. If he is an employee who has completed his period of probation but has not reached the maximum rate for his job, he will, if his progress in the job is unsatisfactory, also be subject to having his step increases held up until satisfactory progress is shown.
- (2) No action will be taken in accordance with the above until the employee has been forewarned by his supervisor and the reasons why his performance or progress is considered unsatisfactory fully explained to him. In all such cases, the Union's accredited representative will be kept informed regarding the employee's status and any contemplated change in his status.

(3) When it is necessary to demote an employee due to his inability to perform his job, he will be given as much notice as possible and his salary rate will be reduced in accordance with the provisions of Paragraph K (2) or (3).

K. DEMOTIONS occur when employees change to jobs whose maximum weekly rate is \$5.00 or more below the maximum rate for their present job.

- (1) When it is necessary to demote an employee in connection with a job change as a result of the provisions in Article X, (Placement Process) and Article VIII, Section 10, Paragraph C (Disabled Employees), he will be given as much notice as possible, and shall have his salary reduced in 25% increments every 6 months for a period of 18 months in order to reach the appropriate rate of pay of the lower job. The first reduction will occur when the employee physically reports to the job.
- (2) When it is necessary to demote an employee because he has failed to meet the job requirements while on probation or upon completion of a temporary job, his salary rate will be reduced to the step he would have attained in his former job. The reduction in salary rate will be made immediately upon the employee assuming the duties of the lower job. The same procedure will apply when the demotion to his former job classification is at his request and for his personal advantage during the probationary period.
- (3) When employees demote after the probationary period, their salary will be reduced to the step for which their Company Service qualifies them or the next lower step rate below their present rate, whichever is less. The reduction in salary will be made immediately upon the employees assuming the duties of the lower job and subsequent step increases will follow in six (6) months or be determined by their Company Service depending on the method used to determine the rate.

L. TIME INTERVALS: The time intervals referred to in this Section 5 of Article VI shall be interpreted as follows, in conformance with present practices and interpretations.

<u>Monthly Interval</u>	<u>Equivalent</u>
6 Months or 1/2 Year	13 Bi-Weekly Pay Periods
12 Months or 1 Year	26 Bi-Weekly Pay Periods
18 Months	39 Bi-Weekly Pay Periods

M. EFFECTIVE DATES: The salary changes referred to in this Section 5 of Article VI shall become effective at the beginning of the payroll period following completion of the prescribed period of employment.

Section 6. Bi-Weekly Pay Days

A. Bi-weekly salary and overtime for the current pay period will be paid on or before the fifth calendar day after the close of the pay period.

B. All paper pay checks and paper direct deposit advices will be mailed to an employee's specified address via the United States Postal Service. The Company will continue its current payroll practices of depositing pay checks in the mail 2 days before payday (e.g., Wednesday for a Friday payday) in an effort to ensure that employees will receive their checks on payday. The Company will continue to provide electronic payment (i.e., direct deposit) options to employees which will ensure that the employee's pay is deposited to their account and the funds are available on payday. If the Company fails to meet the deadlines specified above, the Company will reimburse employees for any resulting reasonable late fees or banking fees directly related to the Company not meeting the deadlines specified above.

ARTICLE VII VACATION, LONGEVITY PAY, HOLIDAYS FOR FULL-TIME EMPLOYEES

Section 1. Vacation Allowance

A. An employee having a period of employment with the Company of at least one (1) year shall be entitled to vacation allowances as shown below:

<u>Period of Employment</u>	<u>Vacation Allowance</u>
1 Year But Less Than 2 Years	40 Hours (5 Days)

2	Years But Less Than 5 Years	80	Hours (10 Days)
5	Years But Less Than 6 Years	88	Hours (11 Days)
6	Years But Less Than 7 Years	96	Hours (12 Days)
7	Years But Less Than 8 Years	104	Hours (13 Days)
8	Years But Less Than 13 Years	120	Hours (15 Days)
13	Years But Less Than 15 Years	136	Hours (17 Days)
15	Years But Less Than 22 Years	160	Hours (20 Days)
22	Years But Less Than 30 Years	200	Hours (25 Days)
30	Years Or More	240	Hours (30 Days)

B. Subject to the provisions covered in Sections 3 A and 3 B of this Article, an employee may elect to take any vacation allowance in excess of eighty (80) hours (ten (10) days) as longevity pay.

C. All vacation and longevity pay will be regular pay (based on salary tables) the employee would have received on his regular job. Longevity pay shall be paid on the basis of the employee's regular straight time rate in effect for the last complete pay period in November of each year and paid on the regular pay day for that pay period.

D. Employees leaving the Company due to a lay off will have the option to retain or be paid for their remaining vacation allotment. This allotment must be utilized/paid by year end. If reinstated, such employees must work for a period of four (4) pay periods before receiving any accrued vacation allowance. Employees leaving the Company due to a leave of absence will have the option to retain five (5) days of their vacation allowance. They will be eligible to take any remaining and accrued vacation allowance two (2) pay periods after reinstatement. In both cases, vacation allowance will be prorated on the basis of the actual time worked by the employees in the previous year.

E. Employees may convert eight (8), sixteen (16) or twenty-four (24) hours of their annual vacation allowance to Personal Time Off (Mini-Vacation). Employees are required to submit their request for this conversion to the Company prior to November 1st of the previous year.

Section 2. Period of Employment

A. An employee shall be considered to have had a period of employment of one (1) year as soon as he has been on the payroll twelve (12) full calendar months and shall be entitled to his first vacation in the calendar year during which he completes his first year of employment.

B. The periods of employment referred to in this Article VII shall be similarly measured.

C. For these purposes if a year of employment is completed between December 1 and December 31, inclusive, it will be considered as having been completed on November 30.

D. An employee's Company Service and 1600 Seniority shall terminate when he quits, is discharged for cause, is laid off and fails to return to work after due notice or has not been recalled to work within twenty-four (24) months after the date laid off. If rehired new Company Service and 1600 Seniority dates will be established.

Section 3. Qualifications and Regulations—Vacations and Longevity Allowances

A. Vacation schedules covering the period from January 1 to March 31 of each year shall be prepared on or before November 1 of the preceding year. Schedules covering the period from April 1 to December 31 shall be prepared on or before March 1 of that year. These schedules shall be considered tentative and may be modified by, or with the approval of, the Department Head as unforeseen conditions develop.

B. These schedules shall be prepared by the Department Head using as a basis dates (first, second and third choices) selected by the employees. It shall be the responsibility of the Department Head to schedule these vacations throughout the entire year in order that the Company's business and operation may continue in an efficient manner. Whenever there is a conflict in dates, it will become a matter to be straightened out between the employees involved. If this procedure fails, the Department Head will decide the matter, taking into consideration length of service of the employees involved, the reasonableness of each employee's claim to the particular time, the settlement of similar conflicts in previous years and all other pertinent factors.

C. A vacation may begin at any time provided it is properly coordinated with the vacation periods of other employees involved.

D. Except as provided in Section 3 L of this Article, vacations may be split into periods of not less than eight (8) scheduled hours, with the approval of the Department Head.

E. Employees who work other than an eight (8) hour schedule, will take vacation in accordance with their normally scheduled hours. For these employees only, after scheduling all full day vacations, any partial day vacation hours remaining may be scheduled with supervisory approval.

F. All scheduled hours elapsing while an employee is on vacation shall be counted as a part of the vacation except that when a Contract Holiday falls on any W-day in the period, it shall not be counted as vacation.

G. Vacations shall not be postponed by the Company to avoid paying overtime.

H. An employee who is in the Company's employ on December 31 of any current calendar year, or the next preceding work day to such date, and whose employment with the Company does not terminate on such day, and employees laid off December 31 shall be entitled in the next succeeding calendar year to the same vacation period, including longevity allowance, to which he was entitled during the said current calendar year. However, an employee who initially during such succeeding calendar year becomes entitled to increased vacation or longevity allowance under Paragraph A of Section 1 of this Article VII, upon meeting the eligibility requirements of said Sections shall be entitled to the vacation allowance therein provided.

I. In event of termination of employment of an employee for any cause prior to taking of the full vacation allowance or payment of longevity allowance to which he is entitled as provided in the next preceding Paragraph, such employee shall be paid the longevity allowance, if any, and an amount of vacation pay (as defined in Section 1 C of this Article VII) in lieu of such vacation allowance equivalent to the pay which he would have received in respect of such vacation period or the part thereof not completed, had such vacation been taken immediately prior to such employment termination. In the event of termination of employment due to death of an employee who has not received the vacation or longevity pay to which he is entitled, payment will be made to the person legally entitled thereto for his vacation and longevity allowance less any portion of that allowance the employee had previously received.

J. In addition to the vacation and longevity allowance provided in the foregoing provisions of this Article, an employee who retires shall receive an additional allowance. This allowance shall be determined by applying to his regular vacation and longevity entitlement for the current calendar year the same ratio as the number of full calendar months worked in the current calendar year bears to twelve (12) months and rounding the result to the nearest multiple of eight (8) hours. For the purpose of this Paragraph, an employee whose employment terminates because of long term disability shall be considered as one who retires. An additional allowance determined in the same manner will be paid to the person legally entitled thereto for an employee who dies.

K. Except as provided in Section 3 L of this Article, vacation allowance not taken in the calendar year during which the employee is entitled thereto cannot be accumulated and added to the vacation allowance of succeeding year or years unless the employee was prevented from taking his full vacation allowance because of illness, injury or at supervisory request with mutual agreement. Unused vacation allowance as a result of illness or injury shall be taken as soon as it can be scheduled after the first full pay period following the employee's return to work; and in the case of supervisory request, within the first three (3) months of the succeeding calendar year. When an employee is permitted to take such vacation, it shall not be considered part of the employee's vacation entitlement for any succeeding calendar year under the provisions of Section 3 H of this Article.

L. An employee, subject to the approval of the Department Head, may elect not to take all his vacation allowance in the calendar year in which he is entitled thereto but may elect to carry over vacation allowance into the succeeding calendar year under the following conditions:

(1) A minimum of eight (8) hours must be carried over and taken in one period within the first **six (6)** months of the succeeding calendar year.

(2) Eligible employees shall indicate their intent to carry over vacation as early as possible in the current year but, in no event, later than November 1.

(3) When an employee is permitted to take such vacation, it shall not be considered part of the employee's vacation entitlement for any succeeding calendar year under the provisions of Section 3 H of this Article.

M. (1) When an employee is off duty because of sickness or injury at the time his vacation is scheduled to begin, the vacation may be rescheduled.

(2) Employees who become hospitalized while on vacation may reschedule that portion of their vacation which was spent in the hospital, provided the hospitalization was of more than one (1) day's duration and a hospital certificate containing the admission and release dates is submitted to the Company.

(3) When sickness or injury occurs after scheduled vacation has begun and the vacation period extends into the succeeding work week(s), the vacation scheduled for the succeeding work week(s) may be rescheduled, provided the employee properly reports off prior to the start of the next work week.

Section 4. Holidays

A. The following legal holidays will be recognized by the Company as Contract Holidays and observed on days when they are nationally observed, except as provided in Paragraph B of this Section 4: New Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day; in addition, the day following Thanksgiving Day and the last Work Day (Monday to Friday, inclusive) preceding the day on which Christmas is observed will be recognized as a Contract Holiday.

B. When a Contract Holiday falls on a Sunday, it shall be observed on the following day (Monday) and the premium pay for the holiday shall apply on the Monday only.

When a Contract Holiday falls on a Saturday, the Company shall have the option of observing it on that Saturday and allowing eight (8) hours' pay to those employees who do not work on that day or of designating the preceding Friday or succeeding Monday as the day on which the holiday is observed, and the premium pay shall apply on the day observed only.

NOTE: The observances in this Paragraph B are applicable to all employees except Fossil Plant Operators, FS Generation-Shift employees, Coal Yard employees, and Troublemens. These work groups whose schedules include Saturday and/or Sunday as W-days will observe New Year's Day, Independence Day, Christmas Day and the day preceding Christmas on the actual holiday and the premium pay shall apply to the actual day(s) only.

C. When a Contract Holiday is observed on a scheduled W-day, those employees who ordinarily work on that day and who are not required to carry on the Company's essential operations will be given their regularly scheduled hours off with pay. Those employees in positions from which they cannot be spared on the holiday will be compensated in accordance with the provisions of Section 4 C of Article IV.

D. When a Contract Holiday is observed on an ST-day, those employees in positions from which they can be spared on some W-day during the week will have their work schedule changed so that the holiday becomes a scheduled W-day (which they get off with pay) and another scheduled W-day within that pay period becomes an ST-day. This shall not apply in the case where the Contract Holiday falls within an employee's vacation period. Those employees in positions from which they cannot be spared on any W-day during the week will be allowed eight (8) hours' pay at their regular rate, provided they did not work and receive holiday premium.

E. Employees who are absent with pay on the day before and/or the day after a holiday, due to illness or injury, will receive holiday pay for the holiday. An employee who is absent from work without pay on the W-day preceding a Contract Holiday and the next W-day following a Contract Holiday shall forfeit his right to holiday pay.

F. An employee will not be entitled to any holiday pay until he has attained a period of employment of six (6) months.

ARTICLE VIII GENERAL PROVISIONS

Section 1. Sick Pay

A. Employees hired after May 16, 2010 will receive 40 hours of sick pay on the anniversary date of their employment. Unused sick time can be accumulated to a maximum of 160 hours.

As of July 1, 2014, employees hired prior to May 16, 2010, will receive no further accruals to their sick bank until his/her sick bank falls below 1200 hours, and thereafter may receive up to a maximum of 80 hours of sick pay on the anniversary date of their employment but will not accumulate more than a maximum of 1200 hours going forward.

The day an employee becomes ill is the date from which the sick pay entitlement for that period of disability is determined. Therefore, when a disabled employee crosses an anniversary date of Company Service, any additional entitlement is not available for the period of disability already in progress. However, the additional entitlement is available for future absences upon the employee's return to work. Employees who work other than an eight (8) hour schedule, will take sick pay in accordance with their normally scheduled hours. All sick pay is paid at the straight-time hourly rate.

B. All full-time bargaining unit employees will be eligible for a Short-term Disability (STD) plan. Short-term Disability (STD) will be provided at 60% of base pay after five (5) work days of continuous absence or after full sick pay is exhausted if the absence exceeds five (5) work days. Maximum duration of the STD program is 180 calendar days of continuous absence or until eligible for long-term disability or recovery, whichever occurs first. Short-term Disability will be provided in accordance with the PPL Short-term Disability Program for Bargaining Unit Employees.

C. To be eligible for sick pay, an employee must have completed a period of employment of six (6) months and have properly reported the cause of the absence in accordance with established procedures. New employees who complete their six (6)-month probationary period will be eligible to borrow sixteen (16) hours of sick pay from the forty (40) hours that they will be entitled to after one year of employment.

D. All cases of illness or injury must be bona fide. If there is a question regarding the nature of the illness or injury, medical certification may be required. False claim for sick pay shall subject employees to disciplinary action.

E. Employees are required to furnish medical certification of illness for all absences in excess of three (3) in a pay period year or anytime an employee is out three (3) or more consecutive days. All medical certification is to be an original (e.g., no copies or fax) and must be submitted to the employee's supervisor or Company designee at the employee's start time when the employee is cleared to return to work.

All Medical Certification must include the following:

1. The healthcare provider's signature/stamp with facility contact information;
2. Patient's name;
3. Date services provided;
4. Return to work date;
5. Any work restrictions (if applicable)

In addition, for all absence occurrences in excess of three (3) in a pay period year, a proper medical certification must also include: 6) information stating that the illness covered the complete period for which the employee is seeking pay. This information may be based on the health care provider's actual knowledge or information reported to the health care provider by the employee.

All requests for sick leave beyond three (3) consecutive days will be administered in the same manner as the Company's Short-Term Disability Plan. The supervisor will make the initial contact to the disability administrator.

Employees returning to work without proper certification will have the period of absence charged to "Time Off Without Pay - No Permission" as follows:

1. From the fourth occurrence of illness and each subsequent illness within the pay period year; or,
2. After an employee is out three (3) or more consecutive days

Employees scheduled to work either Saturday or Sunday, who are ill on one or both of these days, and properly report off, shall have up to a maximum of forty-eight (48) hours to obtain medical certification for the conditions specified in 1 and 2 above.

F. The Company will pay the difference between the employee's full pay and the amount paid by Workers' Compensation for employees absent from work due to occupational disease or injury. The amount of time available for such allowances will be calculated in the same manner as basic sick pay under Paragraph A above (e.g., employees hired after May 16, 2010, will have a maximum of 40 hours per year and total of 160 accrued hours). When such allowances are exhausted, employees will receive Workers Compensation and/or Long Term Disability payments in accordance with the eligibility requirements of those programs.

- (1) To be eligible for such payments, employees absent from work due to occupational injury must properly notify the Company of an accident before the end of the W-day if the injury occurs during non-scheduled hours in the absence of a supervisor. Occupational disease must be reported as soon as possible but no later than forty-eight (48) hours after the onset of the disease to be eligible for the payments provided in this Paragraph.**

Section 2. Absences From Duty With and Without Pay

A. (1) Employees having a period of employment of six (6) months or more will be allowed time off with pay in the event of the death of someone in their immediate family. Except as otherwise provided in this Paragraph, they will be excused from all work schedules from the time of notification of the death and will be expected back to work on their first scheduled work day following midnight of the day after the funeral. In cases where the absence exceeds six (6) calendar days, employees are required to secure their supervisor's approval. However, in unusual circumstances where burial delays occur such as military deaths, etc., the absence may be deferred following a review of the circumstances and with supervisor's approval. Any additional time required by the employee may be charged to vacation, personal time off (mini-vacation) or taken as time off without pay. Definition of immediate family is employee's wife (or husband), father, mother, stepfather, stepmother, mother-in-law, father-in-law, brother, sister, son, daughter, stepchild, grandmother, grandfather, granddaughter, grandson, legal guardian, spouse's legal guardian, domestic partner (Affidavit of Domestic Partnership required) or any relative residing in the immediate household of the employee. An employee shall be granted one (1) day leave to attend the funeral in the event of the death of his stepbrother, stepsister, half brother, half sister, step-grandfather or step-grandmother. If an employee is on vacation when a death occurs in the employee's above family relationships, that portion of remaining vacation which coincides with the allowance for time off under this provision may be rescheduled.

(2) Employees having a period of employment of six (6) months or more will be allowed time off with pay during regularly scheduled hours:

(a) To serve on a jury, providing they are chosen at random and are not volunteering for the duty; or subpoenaed as a third party witness to a dispute for appearance at court. However, employees acting as an agent, employee or arresting officer of a governmental authority, agency or business precipitating the litigation shall not be considered as a third party witness and this time off shall be charged to the proper personal time off codes.

(b) To serve on election day at a Polling Place provided the employee serves in the capacity of Constable, Judge of Elections, Majority Inspector, or Minority Inspector.

(c) To serve with their National Guard or Reserve Unit for short emergency duty.

(d) To report for veteran's periodic medical examination in connection with a military disability.

B. Personal Time Off (Mini-Vacation)

(1) Employees having a period of active employment of six (6) months or more in the previous calendar year:

If they are on the active payroll anytime during the current year, they will be allowed twenty-four (24) hours off with pay during that year, to be used for Personal Time Off (Mini-Vacation); such as illness in the family, attendance at funerals other than Paragraph A (1), dentist or doctor appointments, tardiness or absence due to snowstorms, attendance at graduation ceremonies, religious holidays, or for any other personal reason.

- (2) Employees who had less than 6 months of active service in the previous calendar year:

If they are on the active payroll between January 1st and June 30th inclusive, they will be allowed sixteen (16) hours of Personal Time Off (Mini-Vacation) that year. If they are on the active payroll between July 1st and December 31st inclusive, they will be allowed eight (8) hours of Personal Time Off (Mini-Vacation) that year.

- (3) New employees (those who have not completed their initial probationary period) must attain 6 months of service before they are eligible for any Personal Time Off (Mini-Vacation). If they attain 6 months of service between January 1st and June 30th inclusive, they will be allowed sixteen (16) hours of Personal Time Off (Mini-Vacation) that year. If they attain 6 months of service between July 1st and December 31st inclusive, they will be allowed eight (8) hours of Personal Time Off (Mini-Vacation) that year.
- (4) All Personal Time Off (Mini-Vacation) may be taken in increments of at least one (1) hour and must be approved by the employee's supervisor. In unusual circumstances or extreme weather conditions, this Personal Time Off (Mini-Vacation) may be granted in less than one (1) hour increments at the request of the employee and with the approval of the supervisor. In addition, employees may convert eight (8), sixteen (16) or twenty four (24) hours of their annual vacation allowance to Personal Time Off (Mini-Vacation). Employees are required to submit their request for this conversion to the Company prior to November 1st of the previous year.
- (5) An employee may carry over any unused entitlement of this Personal Time Off (Mini-Vacation) from one year to the next but not to exceed a total of eighty (80) hours. If employees resign, retire or promote to a supervisory position with entitlement remaining, the following options will be available:
- (a) If they can be spared, they will be allowed to utilize the remaining entitlement prior to their leave from the Company or non-supervisory job. However, this entitlement cannot be utilized to become eligible for the following year's entitlements.
- (b) If they cannot be spared or elect not to utilize their remaining entitlement as time off, employees will be compensated for the remaining entitlement.
- (c) If employees are discharged, all remaining Personal Time Off (Mini-Vacation) will be canceled.
- (6) In the event of the death of an employee, payment for any accumulated Personal Time Off (Mini-Vacation) hours remaining will be made to the person legally entitled thereto.

C. Absence from duty because of illness must be reported in the following manner:

- (1) It is the responsibility of employees to report off to their supervisor or a designated Company representative before the usual starting time every day of their illness which includes reporting off on ST-days if employees are scheduled for prearranged work.
- (2) Employees returning from absence after 5 or more scheduled work days with restrictions shall provide the restrictions to their supervisor or a designated Company representative prior to their return to work. The Company reserves the right to review the restrictions to determine if the employee can be allowed to return to work. The review of restrictions will be completed within 3 business days. If the review exceeds 3 business days the employee will be paid "Time-off with pay with permission".
- (3) When an employee is hospitalized or has an illness that can result in a lengthy absence, it is the responsibility of the employees to establish a line of communication with their supervisor whereby an understanding is reached concerning the approximate duration of the illness. Once

this line of communication is established, agreement for intervals of periodic reporting should be reached between the supervisor and the employees.

- (4) **To be eligible for call-outs and/or prearranged work, employees must report their availability to their supervisor or a designated Company representative at least one (1) hour before the end of their last scheduled W-day prior to the day of the prearranged work and/or call-out roster duty.**

D. Unexcused absences will be subject to disciplinary action as provided in Section 5 A of Article II. Such absences include time off without permission, time off for illness not properly reported and time off for alleged illness which subsequent investigation proves to be not valid.

E. Time off without pay may be granted in unusual circumstances with supervisory permission after all accumulated mini-vacation entitlements have been utilized.

F. Pay will also be deducted for time off for disciplinary purposes.

Section 3. Leave of Absence Without Pay

A. Employees will be eligible for a Child Care Leave of Absence in accordance with the terms and conditions outlined in Exhibit G.

Section 4. Inclement Weather

A. Certain normal work will be postponed by the Company's supervisors or their designated representatives due to severe weather conditions and employees will be held during scheduled hours for emergencies. Workmen will be excused from working aloft on poles or structures, etc., when temperatures are 10°F or below at the job location. Sound judgment will be used in determining the type of work to be done at temperatures above 10°F where wind is a factor. Line Crews, walking meter readers, and Electrical and Mechanical Crews will restrict their work to indoor activities when temperatures drop to 5°F or below. Work during emergencies will be performed regardless of weather conditions.

B. When outside work is postponed, employees may be given First Aid, Safety, or other instructions, or may be assigned to work indoors or in sheltered locations.

C. Employees will not lose any scheduled time due to inclement weather, provided they accept miscellaneous assignments during such weather.

Section 5. Meal Allowance

A. An employee will be expected to provide one (1) meal for a regularly scheduled or prearranged work period.

B. A shift worker will follow shift worker rules when temporarily assigned to a day worker schedule; and a day worker will follow shift worker rules when temporarily assigned to an afternoon, night or rotating shift schedule. This assignment could be as short as one (1) day duration.

C. The allowance for all meal entitlements will be \$16 per meal and will be accounted for on the employees' time tickets. (This amount will include tax and gratuity for the meal.)

D. The Company will pay the appropriate meal allowance specified in Paragraph C as follows:

(1) Day Workers - Unscheduled Hours

(a) Meal entitlements at 6:00 A.M., 12 Noon, 6:00 P.M. and 12 Midnight.

(b) If they have been called out and report at least one-half hour before their regular starting time, they will be entitled to a meal entitlement time during that continuous work period.

(2) Shift Workers - Call-Outs and Hold-Overs

- (a) One (1) meal entitlement if working two (2) or more but less than six (6) hours' overtime after the employees' regular or prearranged shift.
- (b) Two (2) meal entitlements if working six (6) to ten (10) hours' overtime after the employees' regular or prearranged shift.
- (c) One (1) meal entitlement if prearranged to work for a period of two (2) or more but less than six (6) hours' overtime before the employees' regular shift and two (2) entitlements for six (6) to ten (10) hours before.
- (d) One (1) meal entitlement if called out to work at least one-half hour before regular starting time, two (2) meal entitlements if called out to work for a period of two (2) or more but less than six (6) hours' overtime before the employees' regular or prearranged shift and three (3) entitlements for six (6) to ten (10) hours before.
- (e) A shift worker will follow day worker rules when prearranged or called out to work during hours which are not contiguous to his regular shift. This includes shift workers who are called out or prearranged to work on a ST-day.

(3) The minimum call-out allowance shall not be used to determine the eligibility for meal entitlements.

(4) Meal entitlements shall not be applicable when time worked is a result of the Portal-to-Portal Act due to transporting tools in personal vehicles from one location to another, or in accordance with Article VIII, Section 6, Paragraph F of this Labor Agreement.

E. For day workers, when arrangements are made in advance for work during non-scheduled hours, the following conditions will apply:

- (1) The employee will be expected to provide one (1) meal for that work period. However, if the work period includes two (2) meal entitlement times, the employee will get one (1) meal allowance and, if the prearranged work is split into more than one (1) work period, the employee will be entitled to a meal if both work periods include a meal entitlement time.
- (2) When the work period is interrupted for a meal period, the time to eat meals will not be paid for.

F. If the Company furnishes or pays the cost of the meal, the meal allowance is not applicable.

G. When work periods involve a meal time during scheduled or non-scheduled hours, the time to eat the meal shall not be considered time worked for compensation purposes. The meals shall be taken when practicable.

H. Employees performing emergency work for other utilities will be paid for the time required to eat when work is suspended for a meal period. When eating meals while on emergency assignments within the PPL service territory, employees will only deduct the time spent inside the restaurant from their time paid. The intent is to exclude payment for time spent in the restaurant to order and eat a meal, but include payment for time to travel to and from the restaurant from the job site.

Section 6. Travel Expenses/Per Diem Allowance

A. The Company will pay expenses for employees who are required to temporarily work away from their regularly assigned Headquarters or attend training schools within the Company's designated service area. Compensation shall be administered in accordance with the procedures described in this Section 6 and Exhibit E.

- (1) Exhibit E for both temporary work assignments and training assignments within the service territory.
- (2) Emergencies, see Paragraph E.
- (3) Mileage computation, see Paragraph F.

For purposes of this Section 6, the Company's designated service territory shall be defined as the Company's geographical franchised area or any Company-owned facility.

B. For purposes of assignments lasting more than one day as described in Paragraph A of this Section 6 employees have a daily choice of either "staying" or "commuting".

(1) STAYING

- (a) Employees who are assigned to temporary work locations 70 or more one-way miles from their residence, within the service territory, will receive a per diem allowance of \$110 for each work day of the assignment.
- (b) Employees who are assigned to training assignments 70 or more one-way miles from their residence, within the service territory, will receive \$100 for each work day of the assignment and one (1) round trip per week, time and mileage.

(2) COMMUTING - Employees who elect to travel on a daily basis shall receive only the expenses as defined in Exhibit E under the appropriate commuter column.

C. For purposes of assignments as described in Paragraph A of this Section 6, lasting one day or less, employees are considered as "commuting" and shall receive only the expenses as defined in Exhibit E under the appropriate commuter column.

D. For temporary work assignments or training assignments outside the service territory the following shall apply:

- (1) The Company reserves the right to decide the method, assume the cost and arrange transportation.
- (2) For pay purposes, only time spent traveling during hours that coincide with regular scheduled hours shall be considered time worked, provided the employee is traveling by public transportation. For all other modes of transportation, only the operator of the vehicle shall be compensated for travel time that coincides with regular scheduled hours. When traveling on ST-days, for purposes of determining the coinciding hours that relate to regular scheduled hours, all employees shall be considered to be working a schedule beginning at 7:00 A.M. and ending at 3:00 P.M.
- (3) The Company shall provide lodging. The type and location of lodging shall be at the discretion of the Company. There shall be no monetary allowance in lieu of Company-provided lodging.
- (4) The Company will pay reasonable out-of-pocket expenses.
- (5) There shall be no compensation for study time during non-scheduled working hours.

E. In emergency conditions, the Company will pay reasonable out-of-pocket expenses for all employees assigned away from their regular Work Headquarters to a temporary Work Headquarters. The emergency shall be considered in effect from departure at the regular Work Headquarters and terminate upon return arrival at the regular Work Headquarters. Therefore, during this time period, the meal allowances and entitlements as provided in Section 5, Paragraphs C and D, of this Article VIII are not applicable.

In emergency conditions, employees who are assigned to their regular Work Headquarters shall continue to receive the meal allowances and entitlements as provided in Section 5, Paragraphs C and D of this Article VIII unless the Company furnishes or pays the cost of the meal.

F. The mileage allowance for employees utilizing their personal vehicles with the authorization of the Company in the performance of their job duties or under Exhibit E of the Labor Agreement will be the current IRS rate. During the remainder of this Agreement, the mileage reimbursement rate will be the maximum allowance permitted by the IRS code without documentation. In addition, employees who are being reimbursed for mileage or while driving a Company vehicle on Company business will also be reimbursed, with receipts, for actual tolls and parking fees.

G. Travel expenses for incidental mileage, e.g., training school or work assignment to motel, motel to restaurant, etc., are not eligible for reimbursement.

H. Employees who request and are granted the right to utilize their personal vehicles in the performance of their job duties while on Company business shall be paid total mileage in accordance with Paragraph F of this Section 6.

Section 7. Safety and Health

A. The Company shall establish health, safety and other rules and regulations for observance by employees. All employees shall be subject to such rules and regulations and disregard or violation thereof shall constitute cause for disciplinary action.

B. It is agreed that Safety and Health Committees consisting of non-supervisory and supervisory employees will be maintained at various points on the system as required. Bargaining unit employees on local Safety and Health committees and Voluntary Protection Program (VPP) committees will be appointed by the Local 1600 President.

Section 8. Equipment Furnished

A. The Company shall furnish to the employees working on or near energized lines and equipment and the employees shall use, as instructed, all equipment necessary to provide protection in accordance with general practice throughout the electric utility industry.

B. The Company shall furnish and the employees shall use, as instructed, raincoats, rain hats, rubber boots and other similar equipment which is necessary over and above the employees' normal work clothing to protect the employees when required to work in wet weather.

C. Employees who are required to climb poles or towers will be supplied with leather work gloves by the Company.

D. The Company will furnish certain employees with uniforms for identification purposes and the employees will be required to wear the complete uniform at all times while performing the duties of their job.

E. The Company will provide an employee with all tools required by the Company for the performance of the job and will replace the employee's present tools as they wear out.

F. The Company shall furnish welders with special protective equipment.

G. The Company will furnish radiation protective clothing and equipment which must be utilized by employees in accordance with Susquehanna S.E.S. procedures. This protective clothing and equipment shall be maintained by the Company.

H. Flame Resistant (FR) Clothing

(1) For employees in PPL Electric Utilities, see Exhibit O.

(2) Employees in PPL Generation will follow MA 07-1970 and MA 07-1970A.

Section 9. Medical Examinations

A. Applicants for employment shall be required to take medical examinations at the expense and direction of the Company.

B. The Company may also require, at its discretion and expense, medical examinations of employees at any time and will give weight to the results of such examinations in determining their future status in accordance with procedure outlined in Section 10 of this Article VIII. Under this provision, mental/nervous disabilities must be certified by a psychiatrist or psychologist (masters level or above) licensed to practice independently as a behavioral health professional.

C. Biological Monitoring Medical Examinations will be provided as necessary and employees will be required to comply with these examinations. A waiver to the X-ray portion of the examination may be granted to an employee upon substantiation of having been subjected to X-rays in the previous six (6)-month period. When granted, employees must sign the waiver.

Section 10. Disabled Employees

A. If an employee becomes permanently partially disabled and is either unable to perform the essential functions of their regular job after reasonable accommodations have been made, or when a change in jobs is indicated by a physician, the case shall be referred to a joint committee of Union and Company representatives known as the Disability Committee. The Joint Disability Committee will authorize the request to have the employee release medical information to the Joint Disability Committee. The Committee shall study all factors and giving due emphasis to the length of service, pay and regular job, shall place the employee as advantageously as possible into a vacant position in which the employee is able to perform the essential functions satisfactorily. The disabled employee being reassigned by action of the Disability Committee will be given preference over any other employees, with less 1600 Seniority, for any vacancy they are capable of filling. The Joint Disability Committee will have access to Sections 1, 2, 4, or 8 of Article X to provide additional opportunities to permanently place this employee. The rate of pay shall be the same as that paid other employees in that position except as provided in Paragraphs B and C of this Section 10.

If there is a conflict in medical opinions, the employee shall be examined by an impartial physician or specialist selected by the Joint Committee and paid for by the Company. When an employee cannot be reasonably accommodated in their existing position, employees will be provided meaningful work within their limitations to the extent such work is available and consistent with their current rate of pay until placement by the Committee.

If the Committee is unable to resolve a particular issue brought to it within 90 calendar days after the Committee receives all information pertaining to the case, the employee will be temporarily placed in the title of "Utility Person" until such time as the Committee places the employee in an available job consistent with the employee's capabilities. Placement in the "Utility Person" classification will be on an incumbent only basis. Duties assigned to such individuals will vary depending upon their capabilities. The rate of pay shall be the same as that paid other employees for comparable assignments except as provided in Paragraphs B and C of this Section 10.

Employees in the "Utility Person" classification will be provided on-the-job training as the circumstances justify to improve their future job prospects.

Any unilateral placement by the Company without concurrence of the Committee may be submitted to arbitration in accordance with Article III of the Labor Agreement.

After having been placed in another job by the Disability Committee, employees with twenty (20) or more years of service will not be subject to further demotion, because of such disability, as long as they remain at work. However, when circumstances warrant, they may be reassigned other duties.

B. Employees placed in alternative positions as a result of disability shall receive the rate of pay and all pay increases applicable to the job classification to which they are assigned. However, if such assigned job has a lower rate of pay than their regular job, they shall not receive a rate of pay less than the following percent of their regular rate of pay in their former job at the time of placement if they have a period of employment of:

Less than 20 years -	75%
20 or more years -	100%

Should they recover from the disability, they may be employed in their former job with accumulated seniority and other privileges if they are physically and mentally qualified to perform the duties required.

C. An employee assigned to a job having a lower rate of pay than their regular job under this Section 10 shall have their rate of pay reduced in accordance with the provisions of Article VI, Section 5 K (1).

Section 11. Extended Illness or Temporary Disability

A. An employee who is absent due to illness or temporary disability will accrue job seniority, 1600 Seniority, and Company Service during the entire period of time the employee is absent. Refer to Exhibit K for job seniority adjustments while on Long Term Disability.

An employee with ten (10) or more years of Company Service will be eligible for any promotional opportunities that occur within his progression line during the entire period of absence. An employee with less than ten (10) years of Company Service will only be eligible for a promotional opportunity that occurs within his progression line during the period of time resulting from the sum of his full sick pay entitlement plus vacation and Personal Time Off (Mini-Vacation) entitlements.

When a promotional opportunity occurs, the Company will contact the employee who is off duty to determine if he is interested in the vacancy. If the employee elects to promote and is accepted, the vacancy will be filled on a temporary basis and will be held for the employee. The employee's former job will then be filled on a permanent basis.

If additional promotional opportunities occur, the employee must again be contacted. Only one (1) job will be held for an employee; i.e., if he accepts a second promotion, the first one he accepted will be filled by another employee on a permanent basis.

When a promotion is held for an employee, the appropriate pay credit and six (6) months' probationary period will begin at the time the employee actually reports to the new job. The employee will be credited with job seniority from the start of the first pay period after notification of selection.

B. All temporary transfers or substitutions made as a result of extended illness or temporary disability will be handled in accordance with Article VI, Section 4.

C. Step increases or apprenticeship program increases and anniversary dates for employees who have been off duty for one pay period or more for reasons of illness or temporary disability or step increases for employees on modified duty who are not performing the primary duties of their job description will be postponed for a corresponding period. Additionally, general wage increases for employees off duty for one pay period or more for such reasons will be deferred until the employee returns to full duty unless the employee is on modified duty as the result of an on-the-job accident in which case the employee will receive the general wage increase applicable to the job the employee is performing.

Section 12. Non-Supervisory Work By Supervisors

A. A supervisor shall not perform regularly scheduled non-supervisory work which interferes with his supervisory responsibilities or results in the elimination of a non-supervisory job. A supervisor shall not do the work ordinarily performed by a non-supervisory employee solely to prevent overtime work by a non-supervisory employee. This shall not prevent a supervisor from doing any type of work in an emergency or for the purpose of training and instruction.

This Section shall not prevent working supervisors from performing such work as has been a customary part of their job in the past.

Section 13. Moving Expenses

A. The Company will provide, during the term of this Agreement, a Non-Supervisory Moving Expense Plan as described in Exhibit D.

Section 14. General Office Bus and Parking Subsidy

A. The General Office Bus and Parking Subsidy shall be continued during the term of this Agreement. The \$24 fee paid by employees toward the cost of parking in the General Office will be paid monthly on a before-tax basis.

Section 15. Safety Shoes

A. The allowance toward the purchase of safety shoes will be \$65 per year. Employees who do not buy safety shoes in a calendar year may carry over the \$65 annual allowances for up to four (4) successive years in order to accumulate a maximum allowance of \$260. Employees will be eligible for reimbursement for the purchase of one or more pair of shoes in a calendar year, but the purchase of one or more pair must be submitted in one settlement transaction for the calendar year they were purchased. Any unused portion of the carryover allowance may not be carried over into

any other succeeding calendar years. Reimbursement will continue to be provided for actual expenses up to the applicable maximum allowance.

- B. If safety shoes are required for their job, new employees, after six (6) months of employment, will be eligible for reimbursement for up to \$130 for the purchase of safety shoes during their initial year of employment. Reimbursement will be provided for actual expenses only. Any unused portion of the \$130 allotment in the initial year of employment can be carried over to the next calendar year. Employees who receive this \$130 allotment will not be eligible for the \$65 annual safety shoe allowance during the next calendar year.

Section 16. Safety Glasses

- A. The allowance toward the purchase of prescription safety glasses, if required for your current job, will be \$60 per year. Employees who do not buy safety glasses in a calendar year may carry over the \$60 annual allowance for up to three (3) successive years in order to accumulate a maximum allowance of \$180. Employees will be eligible for reimbursement for the purchase of one or more pair of glasses in a calendar year, but the purchase of one or more pair must be submitted in one settlement transaction for the calendar year they were purchased. Any unused portion of the carryover allowance may not be carried over into any other succeeding calendar years. Reimbursement will continue to be provided for actual expenses up to the applicable maximum allowance.
- B. If safety glasses are required for their job, new employees, after six (6) months of employment, will be eligible for reimbursement for up to \$90 for the purchase of safety glasses during their initial year of employment. Reimbursement will be provided for actual expenses only. Any unused portion of the \$90 allotment in the initial year of employment can be carried over to the next calendar year. Employees who receive this \$90 reimbursement will not be eligible for the \$60 annual safety glasses allowance during the next calendar year.

ARTICLE IX MILITARY SERVICE

Section 1. General

A. The Company and the Union have agreed on a detailed plan for employees who enter and return from military service, which meets the reemployment provisions of the Universal Military Training Act as amended by the Vietnam Era Veterans Readjustment Assistance Act of 1974. The Company will grant military leave and intends to treat every employee returning from military service, insofar as possible, as though there had been no interruption in his employment.

Section 2. Leave of Absence

A. Employees who enter military service will be considered to be on military leave for the period and under conditions prescribed by law. Although the law makes no provision for employees entering the Merchant Marine, the Company will give due consideration, with respect to leave of absence, to each such case.

B. In order that employees entering the military have time off to settle personal affairs before leaving for military service, they will be allowed time off with pay as follows:

- (1) When enlisting or drafted as an active employee for the first time – up to 5 work days off
- (2) Mandatory periodic training – no days off
- (3) Call-up to active duty for less than 60 days – up to 3 work days off
- (4) Call-up to active duty for 60 days or more – up to 5 work days off

Time off with pay for employees who volunteer for active duty will be reviewed by the parties on a case-by-case basis. Each employee entering military service will be entitled to the same vacation allowance as he would be if he were voluntarily leaving the Company. If he should need more time without pay for this purpose, his leave will start at a mutually agreeable earlier date.

C. An employee entering military service will be paid in full, for time worked and allowed with pay, on the day he is released from duty with the Company or as soon thereafter as practicable.

D. The entire cost of the Group Life Insurance of a participating employee entering military service will be borne by the Company for a period of two (2) calendar months following the last calendar month in which the employee worked. At the end of such two (2) calendar months, the Group Life Insurance coverage will cease. However, the employee's life insurance will be paid in the event of his death during the following thirty-one (31)-day period. During such two (2) calendar months and during such thirty-one (31)-day period, he has the privilege of converting all or part of his Group Life Insurance, without medical examination, to a regular policy.

E. Employees who enter military service will have their participation in the Retirement Plan suspended until their return to active employment. Benefit entitlement for employees who do not return to active employment will be determined in accordance with the termination of employment provisions of the Plan.

Section 3. Reinstatement

A. Employees who return from military service and comply with the reemployment provisions of the Act will be restored to their former positions, or to positions of like seniority, status and pay, unless circumstances have so changed as to make it impossible or unreasonable. In addition, such employees will:

- (1) Be credited with the time they were in military service in determining their position on the salary tables.
- (2) Be given promotions to such jobs in the regular line of progression as may have become vacant during their absence, provided that they are qualified and would have been selected by Management as the logical persons to fill the jobs.
- (3) If pay is based on salary tables, the promotion date for determining the salary table step will be the date or dates the employee who replaced the veteran was promoted. If such dates are not available, the promotion date for determining the salary table step will be the date the veteran starts in the higher job.

If pay is based on wage tables, the pay will be the present hourly pay for the job to which the veteran is promoted.

B. In order for an employee returning from military service to be eligible for the benefits under this Plan, he must:

- (1) Have left a position other than a temporary position.
- (2) Have a certificate of satisfactory completion of such training and service.
- (3) Be qualified to perform the duties of such position.
- (4) Apply for reemployment within ninety (90) days after he is relieved from such training and service or from hospitalization continuing after discharge for a period of not more than one (1) year.

C. A disabled employee returning from military service if not qualified to perform the duties of his former position by reason of disability sustained during such service but qualified to perform the duties of any other positions will be restored to such other position as will provide him with like seniority, status and pay or to a position which is the nearest approximation thereof consistent with the circumstances in the case.

D. Group Life Insurance Plan:

An employee returning from military service will be eligible for the regular amount of insurance based on his annual earnings.

E. Retirement Plan:

- (1) The time spent in military service will be counted in determining eligibility, vesting and benefit accrual. This affords the employee the opportunity to receive the same retirement benefits under the Plan as if there had been no interruption in employment.

- (2) If contributions were required under the Plan during any period of the employee's absence, the employee will be able to receive contributory credit for that time provided the employee pays the monthly contributions which were not made during the leave.

F. Vacation and Longevity Allowance:

The time spent in military service will be counted as a period of employment with the Company in determining vacation and longevity allowance.

G. Attending School:

- (1) Employees who decided to attend school before resuming work and so notify the Company:
- (a) Will be given preference over other applicants if they wish to work for the Company on leaving school, and
 - (b) If hired, will be treated as former employees and the time spent with the Company and in military service will be counted as a period of service with the Company.

Section 4. On-The-Job Training

A. The Company will continue its on-the-job training programs as long as there is a need for the training and will establish new programs as needed in order that veterans may take advantage of the training provided under applicable laws.

Section 5. Periodic Military Training

A. Where an employee who is a member of a reserve military organization of the United States requires absence from work in order to attend a mandatory training period, the Company will, in any calendar year, grant such employee a leave of absence of up to two (2) weeks (eighty (80) scheduled hours) and will pay such employee the difference between the regular pay he would have received if he had worked and his Government pay. To the extent that the mandatory training period exceeds two (2) weeks, the Company will grant additional time off without pay.

**ARTICLE X
PLACEMENT PROCESS**

PURPOSE: The purpose of this Article is to provide opportunities for the placement of displaced employees and eliminate temporary letters while streamlining the placement process. It is not intended solely to provide severance, layoff or retirement opportunities for employees who have not been affected by this process.

The company will identify the job classification and location of the excess position(s). The Labor Relations Department will give 10 working days notice to the Local 1600 Union Office of any decision to displace employees as a result of a reduction, elimination or reassignment of work, during which the following procedures will apply.

Note: See the end of this Article X for a Flow Chart of the Placement Process.

Section 1. Box 1

The local chief steward or union representative will meet with the appropriate supervisor to identify the displaced employees. If agreement is not reached, representatives from the Local 1600 Union Office will make the decision during this 10-day period.

A. Employees whose work has been eliminated or have been bumped by this process may retire if eligible, elect enhanced severance, select layoff or proceed through the placement process. Employees who retire will be eligible for benefits as described below. Employees will have 5 working days from receiving retirement/severance information to make a decision.

- (1) Voluntary Early Retirement for Employees Identified in the Placement Process.

Employees who are displaced, bumped or qualify as volunteers for displacement will be eligible for special early retirement benefits if they have attained age 55 or over at any time prior to placement. Qualified employees will receive the following benefits:

- (a) One weeks' pay for each year of Company Service, prorated to the nearest full month, and will be payable in the form of a lump sum at the date of retirement.
 - (b) 100% of their pension benefit accrued to the date of their retirement in the form of a single life annuity.
- (2) It is agreed that employees who voluntarily accept termination under the provisions of this special program:
- (a) May be asked to release the company from liability for any claims of age discrimination under federal and state laws.
 - (b) Will retire on the first day of a month approved by the company as the effective date, taking into consideration the availability of qualified replacements, an orderly transition of duties and the employees' preferences.
- (3) Enhanced Severance for Employees Identified in the Placement Process

Employees who are displaced, bumped or qualify as volunteers for displacement, and who are not eligible for or do not elect to retire, will be eligible for enhanced severance benefits regardless of their age or years of 1600 Seniority.

Enhanced severance benefits will be equal to two weeks' pay for each year of Company Service, prorated to the nearest full month, and will be payable in the form of a lump sum at the date of termination.

If these options reduce the number of employees to the appropriate level, no further action is required.

(4) NOTES:

- (a) Reemployment rights will only apply to the layoff provision.
- (b) Employees will be handled in the process below in order of their Local 1600 Seniority.
- (c) If a vacancy is available in the same classification at the same location, the employee will be placed in the vacancy and no further action is required.

Section 2. Box 2

Canvass the displaced employee's progression line at the same location for volunteers to retire/sever to create an appropriate vacancy. An appropriate vacancy is a job at the same classification which the displaced employee must accept, or a lower or higher job in the progression line that the displaced employee is willing to accept. Employees who volunteer to retire to create an appropriate vacancy will receive the retirement benefits, as listed above, if they are at least 55 years of age. Employees placed in the Utility Person title per Article VIII, Section 10, are eligible to volunteer in accordance with this Article. However, a displaced employee who selects a Utility Person in the placement process must meet all the minimum entry requirements of the regular job classification held by the Utility Person.

- A. If an appropriate vacancy exists in the same job classification at the same location, the process ends.
- B. The canvass for volunteers will last no more than 5 working days from the day the employee receives the volunteer form.
- C. The volunteer will have 5 working days to accept the offer of retirement/severance after receiving their benefit information from the Company. These days will run concurrently.
- D. Any vacancies created through this process will be filled by a progression line promotion. Employees will have 24 hours to accept or decline the promotion.

- E.** If a vacancy occurs at a higher level, fill through a progression line canvass. If a displaced employee declines the promotion and no one in the progression line wants the job, then move to Box 6 without red tag.

If someone in the lower job takes the promotion and the displaced employee is willing to roll back, he will take the lower job rate of pay through pay tapering.

- F.** If more than one employee at a work location volunteers for retirement or severance, the most senior employee (1600 Seniority) who would create an appropriate vacancy for the displaced employee may retire or sever.

Section 3. Box 3

If the displaced employee has not been placed in Box 2, the displaced employee will bump the most junior employee (1600 Seniority) in the same classification at their current work location.

- A.** A bumped employee will be handled as follows:

(1) All employees on the property as of May 18, 1998 will have full access to this placement process when they reach 10 years. Until that time, the employee will have LIFO*.

(2) All employees hired after May 18, 1998 will have LIFO* until they reach 15 years, at which time they will have full access to the placement process.

Section 4. Box 4

If Box 3 is not available, and if the displaced employee chooses a preferred location, canvass other preferred work locations in the same progression line for volunteers in the same rate or classification to retire or sever. The resulting vacancy must be at a location in a classification designated by the displaced employee. If a vacancy is created, the displaced employee will be placed in that vacancy and the process ends. Employees placed in the Utility Person title per Article VIII, Section 10, are eligible to volunteer in accordance with this Article. However, a displaced employee who selects a Utility Person in the placement process must meet all the minimum entry requirements of the regular job classification held by the Utility Person.

OR

Section 5. Box 5

If Box 4 is not available or no location is selected, the displaced employee may bump the most junior employee (1600 Seniority) at the next closest work location where the same classification exists, in the same progression line.

OR

Section 6. Box 6

At the same location, the displaced employee may rollback to next lower job in their progression line and bump the most junior employee (1600 Seniority) in that classification at 100% red-tag. However, those employees who decline a promotion in Section 2 Paragraph E will be pay tapered to the rate of pay for the job. If this option is available, but the employee declines and chooses to go to Box 8, the employee loses red-tag rate of pay. If this option is not available, go to Box 7 with 100% red-tag.

Section 7. Box 7

At the next closest work location where lower jobs exist in the progression line, the displaced employee may rollback to the next lower job in their progression line that the displaced employee's 1600 Seniority will allow and bump the most junior employee (1600 Seniority) in that classification at 100% red-tag. However, those employees who decline a promotion in Section 2 Paragraph E will be pay tapered to the rate of pay for the job. If this option is not available or not selected, the employee moves to Box 8 with a 100% red-tag rate of pay.

Section 8. Box 8

Canvass all employees for volunteers to retire or sever. From this list, the displaced employee can select up to 5 progression lines designating job classifications and locations they are willing to accept. If a vacancy is created, the displaced employee will be placed in that vacancy and the process ends. Employees placed in the Utility Person title per Article VIII, Section 10, are eligible to volunteer in accordance with this Article. However, a displaced employee who selects a Utility Person in the placement process must meet all the minimum entry requirements of the regular job classification held by the Utility Person.

- A. Step 1** - In determining eligibility compare the displaced employee's 1600 Seniority to the 1600 Seniority of the employee in the progression line who would be eligible to promote to the vacancy created by the volunteer. If the displaced employee has the 1600 Seniority and qualifications, they take the vacancy and allow the volunteer to leave.
- B. Step 2** - If the displaced employee does not have the 1600 Seniority and qualifications to fill the job of the volunteer, and has designated the next lower job as one of their preferences, fill the vacancy through a progression line promotion and then compare the 1600 Seniority of the displaced employee to the 1600 Seniority of the employee in the progression line who would be eligible to promote to the resulting vacancy. If the displaced employee has the 1600 Seniority and qualifications, they take the vacancy and allow the volunteer to leave.
- C. Step 3** - If necessary, continue this process until the displaced employee fits somewhere in the progression line where there is a volunteer holding a job designated by the employee.

If the displaced employee cannot fit into any designated job in the progression line, then there is no appropriate vacancy created and therefore the volunteer cannot leave.

- (1) If Box 6 is available and the employee elects to go to Box 9, there will be no red-tag rate of pay.
- (2) If Boxes 6, 7, or 8 are unavailable or no selection is made in Box 7 or no progression line selected in Box 8, the employee can select from Box 9 at 100% red-tag.

OR

Section 9. Box 9

If the employee is not handled in Box 8, he then moves to Box 9 selecting a bumpable level job (B-04 and below) by 1600 Seniority or moves to Box 10.

- A.** If Box 6 is available and the employee elects to go to Box 10, the employee will assume the rate of the selected job through the pay tapering process.
- B.** If Box 7 is unavailable or no location was selected, or if Box 8 was unavailable or no progression line selected or no job was selected in Box 9, the employee moves to Box 10 with 100% red-tag rate of pay.

OR

Section 10. Box 10

Bump LIFO* employee based on 1600 Seniority and qualifications. The Union will handle employees in Box 10 within 30 days of the date the last displaced employee reaches Box 10. Employees displaced after the 30-day clock starts, if eligible, can go through Boxes 1 to 9 and wait until the current employees in Box 10 are handled. Both parties agree to cooperate in the administration of this process. All employees' pay and expenses will be paid in accordance with the labor agreement. Employees not handled in Box 10, and who are eligible for a company offer as defined below, will move to Box 11.

Section 11. Box 11

Except as provided in this section, no regular, full-time employee hired prior to May 18, 1998 who has attained ten (10) or more years of 1600 Seniority, or hired after May 18, 1998 who has attained fifteen (15) or more years of 1600 Seniority, shall be laid off because of a reduction, elimination or reassignment of work, unless the employee has exercised all of his rights under the placement process. In the event of such a reduction, elimination or reassignment of work, the employee will have access to the placement process stated above with

pay protection signified by the term "red-tag". If the employee utilizes the placement process without securing a job, the company will select for the affected employee a job, which may then be available anywhere within the bargaining unit. If the employee selects this offer, their pay will be red-tagged unless previously lost in the placement process. In making such selection, the Company will consider the qualifications of the employee, his residence, his potential for training and contribution to company efforts now and in the future and his 1600 Seniority and that of other employees affected. Moving expenses will be paid by the company in accordance with Article VIII, Section 13. Company offers under this paragraph shall not be subject to Article III of the labor agreement.

*LIFO Eligibility Definition:

Employees hired prior to May 18, 1998 with less than 10 years of 1600 Seniority.

Employees hired after May 18, 1998 with less than 15 years of 1600 Seniority.

Section 12. Notes

- A. If the employee is bumped in Boxes 3 to 9, go to Section 3 Paragraph A for processing.
- B. If the employee is bumped in Box 10 (LIFO employee), the employee can bump only those with less 1600 Seniority than he has.
- C. A displaced or bumped employee can elect enhanced severance/layoff/retirement at any step of the process.
- D. Any vacancy not created by this process will be filled in the following sequence: 1) recall of displaced employee, 2) progression line promotion/demotion (includes transfers), and 3) post. If a displaced employee is the successful bidder and still has their red-tag, they will be awarded the bid job at their 100% red-tag rate of pay or at the rate of the job if it is higher. If the employee voluntarily leaves this bid job during the probationary period, the employee then becomes displaced and loses the red-tag rate of pay. If the employee involuntarily leaves the bid job, they will keep their 100% red-tag rate of pay.
- E. Employees who reject the Company offer in Box 11 or are unable to select a position in Box 10 will retain their Article II rights.

Section 13. Associated Issues

- A. **Recall Rights** - employees who are displaced will retain recall rights to their former progression line from which they were displaced for a period of 4 years as provided below. The demotion criteria are no longer applicable for recall.

Employees may be considered for vacancies declared by the Company in either higher, equal or lower job classifications in their former progression line, based on the following order of consideration:

(1) Same Job Classification - Employees who held the vacant job classifications prior to their placement in another progression line. Employees will be considered based on their Local 1600 Seniority ranking. Employees recalled to their former job will have their previous job seniority date restored.

(2) Higher or Lower Job Classification - Fill through normal progression line promotion/demotion rules. Fill subsequent vacancies through #1 above.

Employees with return rights may request to be placed in their former progression line in a vacancy in a higher or lower job classification than the one from which they had been displaced if the vacancy is not filled through normal progression line rules. Employees will be considered based on their Local 1600 Seniority. Recall rights will be satisfied if the employee returns to a higher or lower job in the progression line.

These opportunities remain in effect for a period of four years from the date the employee reports to their new job in another progression line, regardless of the number of opportunities extended. However, an

employee who refuses recall back to their former job at their former work location will lose their recall rights.

Returning employees who accept a lower level job in their former progression line will receive job classification seniority credit for the time previously spent in that job classification and will retain their red-tagged rate of pay, if applicable.

(3) In the event the vacancy is not filled pursuant to Paragraphs 1 and 2 above, it will then be posted. If it cannot be filled through the posting process it will be filled through the reemployment provisions.

B. Reemployment - employees, who have been laid off, shall have reemployment rights for 2 years. An employee who refuses a reemployment offer to their former job at their former location will be considered to be resigned.

C. Red-tag - The term Red-tag shall mean the employee's regular rate of pay shall not be reduced from that which he received in his former job and he will receive all applicable pay increases or portions thereof when the maximum rate of the job he is performing equals or exceeds such pay. Employees who are red-tagged and subsequently bid to a new progression line will retain their red-tagged rate if any of the jobs in that progression line are equal to or higher than their current position. Such employees who return to their former job during their probationary period will retain their red-tagged rate of pay. If a red-tagged employee bids to a progression line/job with no equal or higher job, they will lose their red-tag and will assume the rate of the new job. Such employees who return to their former job during their probationary period will lose their red-tagged rate of pay. Comparisons will be at the top step of the jobs to determine whether it is an equal or higher level job.

D. Bumping Criteria - The bumping criteria for all jobs in Exhibit A will be consistent with the minimum entry requirements as set forth in the job descriptions. Any changes to the testing criteria in the minimum entry requirements are subject to negotiations.

E. Probationary Period - does not apply to jobs accepted through this placement process (including progression line promotions associated with this placement process). Hardships, involuntary demotions and job swaps associated with this process will be handled between the parties on a case-by-case basis.

F. Pay Taper - employees who have been demoted and who are not red-tagged in connection with a job change as a result of the placement process shall have their salary reduced in 25% increments every 6 months for a period of 18 months in order to reach the appropriate rate of pay of the lower job. The first reduction will occur when the employee physically reports to the job.

G. Temporary Assignments - displaced employees who are temporarily assigned to a higher rated job will be paid the higher salary after four (4) pay periods of reporting to the job. Displaced employees who are assigned to an equal or lower job will continue to receive their current rate of pay.

H. Residence Requirements - employees who are handled under the placement process will not be required to move to accept a job with residence requirements.

I. Service - employees who are laid off and return to employment will not have their Company Service or 1600 Seniority adjusted for the time while on lay off.

J. Vacation/Mini Vacation - employees headed for lay off will have the option to retain or be paid for their remaining vacation/mini-vacation allotment. The allotment must be utilized/paid by year end.

K. Time Limits

(1) Box 1, 2 and 3 - The employee will have a total of five (5) working days to accept or reject their offer after receiving the retirement/severance information and/or all the jobs and locations available in Boxes 2 and 3.

(2) Box 4, 5, 6 and 7 - The employee will have a total of two (2) working days to accept or reject their offer after receiving all the jobs made available through Boxes 4, 5, 6 and 7.

(3) Box 8 and 9 - The employee will have a total of two (2) working days to accept or reject their offer after receiving all the jobs made available through Boxes 8 and 9.

(4) Box 10 - The Union will handle employees in Box 10 within thirty (30) working days of the date the last displaced employee reaches Box 10.

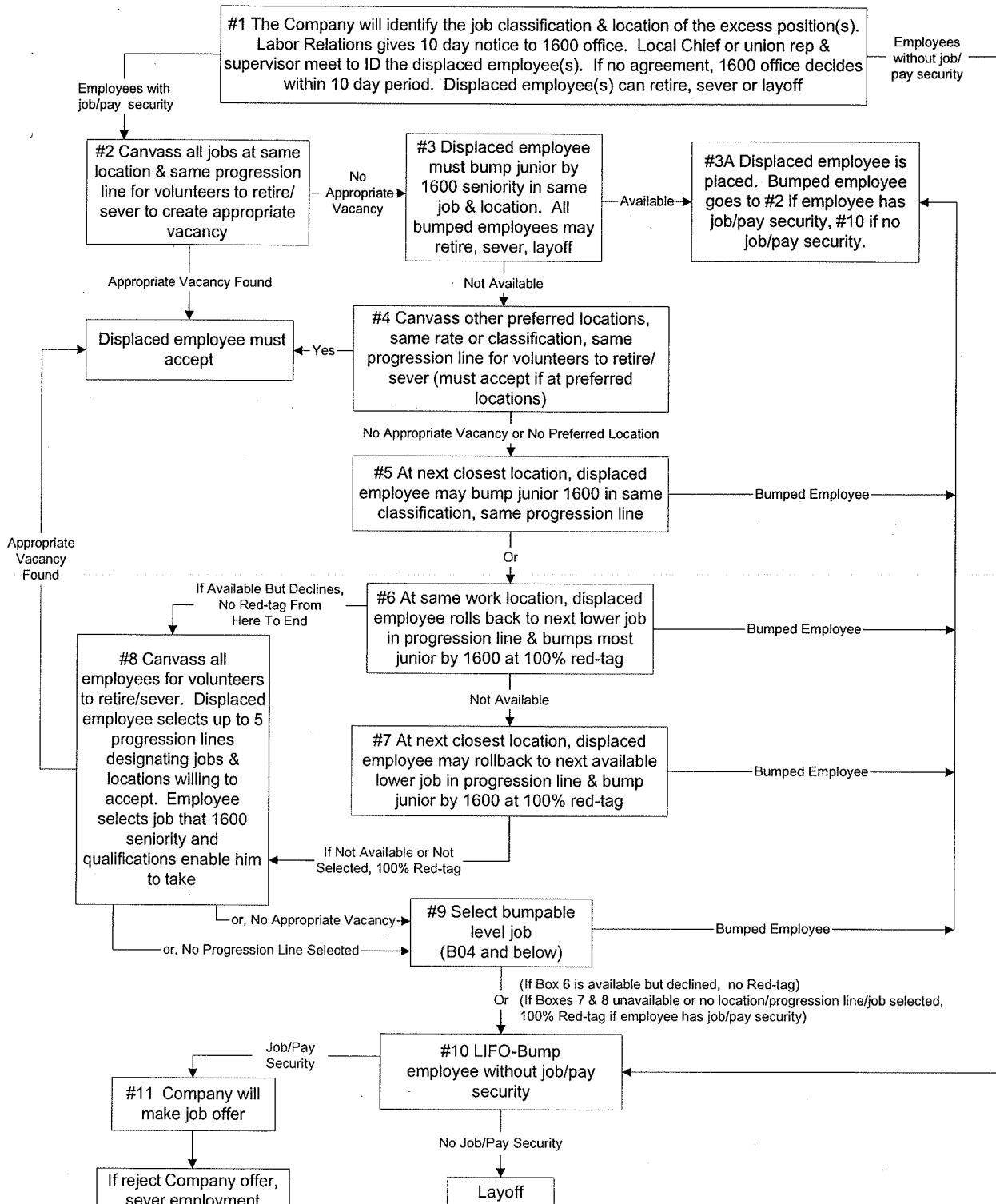
(5) Box 11 - If an employee with job security has not been handled through the previous boxes, they will receive a Company offer and will have a total of two (2) working days to accept or reject this offer.

L. Lay Off

<6 Months-Employees with less than six (6) months' service are subject to lay off without regard to function or departmental manpower requirements. During this six (6) months' period, the Company shall have the sole and exclusive right to lay off such employee and Article III of the Agreement shall not apply.

≥6 Months-Regular, full-time employees covered by this Agreement with six (6)-months' or more service may be subject to lay off in accordance with this Article.

Notification-The Company will notify full-time employees ten (10) working days, exclusive of Saturdays, Sundays and holidays, prior to the effective date of lay off, provided such employee has attained 6 months of continuous service.



Note: This chart is a simplified illustration of the steps in the placement process. The actual, detailed language of the process is controlling in the event of any conflict between the two documents.

10/24/01

**ARTICLE XI
SUSQUEHANNA STEAM ELECTRIC STATION**

Section 1. General

A. As provided herein, this Article XI contains provisions solely for the purpose of operating the Company's Susquehanna Steam Electric Station (SSES).

B. At any time the Company determines it will not have a sufficient number of licensed operators for plant operation, the Company reserves the exclusive right to employ or utilize qualified individuals to assume these licensed positions. The employment or utilization of such individuals will have no adverse effect on promotions to Plant Control Operator.

C. In case of an emergency in which the Company activates the Nuclear Emergency Response Organization (NERO) nothing in the Labor Agreement shall, in any way, inhibit or restrict the Company from taking any action it feels necessary to protect the health and safety of the public or the station's employees or facilities.

D. Unescorted Access – In order to comply with regulations of the Nuclear Regulatory Commission (NRC), the Company has developed a “Fitness For Duty Program” and an “Access Authorization Program” for certain employees who work at Susquehanna SES or who otherwise require unescorted access authorization/unescorted access (UAA/UA) as part of their assigned job duties. The Company will discuss with Local 1600 any changes to these programs prior to their effective date. The Company and Union agree upon the following with regard to bargaining unit employees:

- 1. Confidentiality of all information obtained during the fitness for duty or security screening process will be protected as described in station procedures in accordance with applicable NRC regulations.**
- 2. Access Authorization processing for employees with UAA/UA or otherwise seeking UAA/UA will be accomplished in accordance with the Fitness for Duty procedures and Site Access Program procedures. The local union will be notified when a determination is made with regard to the denial or revocation of access of one of their members. The aforementioned decisions are subject to the review and appeal process in accordance with 10CFR Part 76. The provisions of this section of Article XI are intended to deal only with the status of an employee's UAA/UA. Any discipline imposed as a result of a violation of company policy is not covered by this section and will be addressed in accordance with the appropriate Company policy or procedure.**
- 3. Every job posting for positions requiring UAA/UA will clearly notify the applicant that the position requires unescorted access authorization and/or unescorted access. During employment interviews, the applicant will be advised that he or she will be subject to a background check, Fitness for Duty (FFD) testing, psychological evaluation and other requirements for the purpose of determining eligibility for UAA/UA, and is required to sign written authorization to this effect.**

4. APPLICATION FOR UAA/UA

- a. Employees within the Company without UAA/UA who apply for a position requiring UAA/UA and are denied UAA/UA will be returned to their former position.**
- b. Employees who currently hold UAA/UA and are subsequently denied UAA/UA will be treated as follows:**
 - i. The employee will have ninety (90) days to address all issues identified as the basis for the denial. During this period the employee may be offered a temporary work assignment by the Company if available. If no work is available, the employee will be removed from duty and will not be paid. The employee will be paid for any hours actually worked as assigned by management.**
 - ii. The employee must reapply for UAA/UA by the end of the ninety (90) day period. If an employee reapplies for UAA/UA and is again denied UAA/UA, the Company will identify any appropriate vacancy in which the employee is qualified and may be placed. The Company**

will meet with a representative from the Union to discuss the placement. The employee may choose not to accept the transfer, but if accepted this placement will be final and the employee will have no return right to the previous position. If no appropriate vacancy is identified by the Company or if the employee chooses not to accept an offered position, then the employee will be placed on unpaid status. If no appropriate vacancy was initially identified by the Company, the employee will be considered for appropriate future vacancies for a maximum of six (6) months from the date of the denial. If the employee refuses an offered vacancy, then the Company will have no further obligation to offer any further available positions. If the employee does not receive an offer for a vacant position by the end of the six (6) month period, the employee's employment will be immediately terminated.

- iii. The time periods set forth in Section D.4.a and b. may be extended by the Company or by agreement of the parties as addressed below.
- iv. The parties agree to meet and discuss whether the issues providing the basis for the denial of UAA/UA can be addressed within the period set forth in paragraph D.4.b.i above, and the parties may mutually agree to extend the time period. If such an extension is agreed upon and after the extended period of time the employee still cannot regain his or her UAA/UA the employee will be handled in accordance with 4.b.ii above.
- v. For employees whose unescorted access authorization is subject to administrative withdrawal because information is received that could impact adversely upon their trustworthiness and reliability or while action is taken to complete or update some element of their unescorted access authorization, the employees will continue to be compensated at their full-time regular pay without any allowance for overtime. During such time, management may at its sole discretion provide work for the employee to perform that does not require UAA/UA.

5. FITNESS FOR DUTY/BEHAVIOR OBSERVATION PROGRAM

- a. The company currently has in effect a Fitness for Duty (FFD)/Behavior Observation Program (BOP) which complies with applicable NRC regulations. Penalties for confirmed positive drug or alcohol tests as well as any violation of the FFD program will be imposed in accordance with applicable NRC regulations and MA 09-0800. Employees losing UAA/UA as a result of a violation of the Drug and Alcohol or the Behavior Observation programs will be handled in accordance with paragraph 4.b above.
- b. Employees may reapply for UAA after successful completion of any treatment as determined by the Substance Abuse Expert (SAE).
- c. The Company will discuss with the Union any decisions with respect to changes to the Company's Fitness for Duty/Behavior Observation program prior to the effective date of such changes. The Company shall maintain the sole and exclusive right to determine the employment status of employees refusing to enter, participate in, or be screened as part of the Program and Article III of this Labor Agreement shall not apply. In such cases the employee will be required to provide the Company with a written statement that he/she has refused to participate in the access authorization screening process.

E. Temporary Positions in Radiation Protection (RP) – The Company may, from time to time, employ Specific Temporary Junior Radiation Protection Technicians and Senior Radiation Protection Technicians. Duties will be limited to the tasks they are qualified to perform as indicated in TMX or applicable equivalent training matrix. The rate of pay for Junior Radiation Protection Technicians will be B-12 1st Step. The rate of pay for Senior Radiation Protection Technicians will be B-14 1st Step. Except as noted above, all other conditions of Article V, Section 4 of the Labor Agreement will apply. This provision shall not restrict the use of contract personnel as provided in Article II, Section 5, Paragraph D.

F. ALARA – Work assignments and overtime assignments will be made with consideration given to the radiation exposure level of the employee and the station ALARA goals in addition to other factors such as type of work, skills required and cumulative overtime. Employees who have reached their maximum

exposure level or are nearing the level will be reassigned to other work within their job description. If this is not possible, the employee will be assigned other type work with no reduction in salary.

G. On-Site Inspections – Employees will be required to fully cooperate with the Nuclear Regulatory Commission Inspectors and inspectors from other regulatory agencies.

H. Medical and Psychological Examinations – The Company may require medical and psychological examinations of employees at its discretion and expense.

I. Handyman Effluents Fire Brigade Bonus – Employees in the classification of Handyman-Effluents at Susquehanna, who have successfully completed Fire Brigade Training will be paid a premium of \$3000.00 for such duty. The premium will be paid to the affected employees who hold the classification of Handyman-Effluents on December 31 of each year as a lump sum payable no later than the second pay period of the following year. The \$3000.00 premium will be prorated for employees who did not hold the classification of Handyman-Effluents for the entire year. Employees who leave the position of Handyman-Effluents prior to December 31, will not be eligible for any premium payment for that year.

J. Temporary Promotions to Training Instructor – The Company may, from time to time, promote bargaining unit employees to the non-bargaining unit of Training Instructor. Such assignments may be for a minimum of one week and a maximum of six months. Bargaining unit employees promoted under this provision will remain in the bargaining unit and continue to accrue Local 1600 and job seniority and pay Union dues. Selection will be on a voluntary basis by job classification seniority when fitness and ability among volunteers are substantially equal. Management reserves the right to specify the criteria to be used in selecting individuals for this assignment. If there are no volunteers management may use other methods to fill the position. Employees temporarily promoted under this provision shall receive a premium of 15% above their current rate of pay. It shall not be considered a promotion for any employee to assist an Instructor or perform OJT/TPE. This provision does not apply to any employee where classroom training is considered part of the job description or Operations Employees which are covered in Section 2 below.

K. Temporary Promotions to Supervisor – Non-supervisory employees may be temporarily promoted to supervisory positions for a period of time not to exceed six (6) months from the date of promotion for major overhauls and the refueling process. Such temporary promotions will be limited to the actual period of time required for such events plus a period of time not to exceed three (3) pay periods (42 days) prior to the start of the outage for preparatory work and two (2) pay periods (28 days) following completion of the outage for total associated work. The following conditions will apply for these assignments:

1. They will sustain no loss in job seniority or bargaining unit service for time spent in the supervisory status.
2. They will be removed from the call-out roster.
3. They will continue to pay Union dues at their permanent rate of pay.

Supervisory replacement for substitution purposes will be handled in accordance with Article VI, Section 4, Paragraph A. All other temporary promotions to supervisor will be handled in accordance with Article V.

Section 2. Operations Employees (Provisions specifically for employees in the Operations Department, both Licensed and Non-Licensed classifications)

A. Entry, Progression, Licensing, and Requalification of Operations Employees

1. Except for candidates hired as Plant Control Operator in Training (PCOIT), employees will enter the NPO progression line as an Operations Helper. Upon entering the NPO training class, the employees will be promoted to Nuclear Plant Operator in Training (NPOIT). Upon successful completion of the training program, the employees will be promoted to Nuclear Plant Operator (NPO).

2. All employees entering the NPO line of progression after May 12, 2014 ("New NPOs") shall be required to progress to Plant Control Operator – Susquehanna (PCO). Employees already in the line of progression as of May 12, 2014 ("Current NPOs") are not required to progress to PCO.

3. NPO Progression

a. NPOIT's will progress to NPO upon completing all required qualifications in accordance with the station's Non-Licensed Operator Training Program.

b. Employees who are unable to complete the program or otherwise fail the training program in accordance with the NPO Training Program Procedures will be demoted to Handyman-Effluents. Such employees may be allowed to re-enter the NPO line of progression only with management's approval.

4. Employees in the classification of NPO are required to maintain their qualification. In the event an employee has NPO qualifications that are temporarily suspended or removed the employee will be provided remediation in accordance with station procedures. If an employee is unable to regain the suspended qualifications, the employee's NPO qualification may be revoked. If revoked, the employee will be demoted to Handyman-Effluents. Such employees may be allowed to re-enter the NPO line of progression only with management's approval. NPO's will be paid a lump sum of five hundred dollars (\$500.00) for passing Job Performance Measures and a comprehensive examination on the first try during annual requalification exam.

5. NRC Initial Licensed Operator Program (ILO)

a. When management determines to conduct an Initial License Operator (ILO) class, management will fill the training class with NPO's, other internal candidates (posting) or external candidates as set out below.

i. The Company will first notify NPO's prior to the start of training and the NPO's must then notify the Company within two weeks after receiving notification whether they choose to enter the ILO Training Class.

ii. If there are not enough NPO volunteers to fill the number of positions set for ILO class, management may post the remaining positions system-wide, select candidates from outside the bargaining unit or may select "New NPO's" by seniority, starting with the most senior based on job class seniority.

iii. "New NPO's" may decline the first offering of attending ILO class, however, such employees must accept any further offer to attend ILO class. "New NPO's" declining a second offer to attend will be demoted to Handyman-Effluents.

iv. Candidates selected to enter the ILO class will be promoted to the position of Plant Control Operator in Training (PCOIT).

v. PCOIT's will not be eligible for plant related overtime while in ILO class and will be required to make vacation schedule adjustments to coincide with the ILO class schedule.

b. PCOIT's and PCO's are restricted, except by mutual agreement of the Company and the Union, to bid a posted vacancy outside the Susquehanna SES operations progression line for a period of five (5) years following the start of formal operator license training. During this period, these employees are not eligible for a leave provided in Article II, Section 9 of this Agreement.

6. NRC Licensing

a. Management retains the right to determine if a PCOIT will take the NRC License Examination.

b. PCOIT's who successfully pass the NRC Licensed Operator Examination will be promoted to PCO in accordance with the Collective Bargaining Agreement.

7. Failure to License

- a. A PCOIT who is not selected to take the NRC exam, fails the exam, or is removed at any time prior to taking the exam, is considered to have failed to license.
- b. If there is a concurrent ILO class being conducted the employee may be placed into that concurrent class upon agreement between management and the affected employee. Employees not immediately placed in an existing class will be demoted to NPO provided they have previously held the position. Employees who have not previously held the position of NPO will be demoted to Handyman-Effluents.
- c. If the demoted employee was a "Current NPO" he may re-apply for selection into a future class at management's discretion.
- d. If the demoted employee was a "New NPO" he may re-apply or may be selected by management to attend a future class.
 - i. "New NPO's" who fail to license a second time will be demoted to Handyman-Effluents.
 - ii. "New NPO's" who fail to license on the first attempt and then decline the second offer will be demoted to Handyman-Effluents.
 - iii. "New NPO's" who decline the first offer, then accept the second offer and then fail the first attempt to license will be demoted to NPO. Should an employee volunteer or be selected to attend ILO class a second time and subsequently fail, the employee will be demoted to Handyman-Effluents.
- e. "New NPO's" will not be subject to being required to attend ILO class, as long as there continues to be enough volunteers to attend ILO class or management decides to fill remaining positions in ILO class with external candidates.

8. License Requalification

- a. Plant Control Operators must maintain their operating license in accordance with station procedures.
 - b. PCO's who re-qualify during the annual license requalification will be paid a premium each pay period equal to \$1.00 per hour for all hours paid as a PCO. The premium amount will continue until the next annual requalification period. The premium amount will also continue each time the PCO successfully completes the subsequent annual requalification.
 - c. In the event an employee's PCO License Operator qualification is temporarily suspended or removed, the employee will be provided remediation in accordance with station procedures. If an employee is not able to regain the Licensed Operator qualification or the employee's license is revoked by the NRC, the employee will be demoted to NPO provided the employee previously held the position. Employees who have not previously held the position of NPO will be demoted to Handyman-Effluents. Management retains the right to determine if a PCO who has had his license revoked will be allowed to attend ILO class at a future time. Employees who were promoted to PCO who were previously considered a "New NPO" may be required to attend ILO class again in accordance with section 5, above.
 - d. Employees who have had their license revoked and who then attend ILO class a second time, if allowed or required by management, who fail to license or who later lose their license a second time will be demoted to Handyman-Effluents. Such employees will be prohibited from bidding back into the Operator line of progression in Nuclear.
9. The parties recognize that obtaining a Reactor Operator's license is a serious commitment by both the Company and the employee. Therefore, employees promoted to PCOIT shall have 6 months from the start of ILO class to make a decision to voluntarily return to his previous

position, if the employee has previously held a position with the Company. Employees who are promoted to PCO shall have no voluntary return rights to any position.

10. **SRO Progression** – Employees entering the Senior Reactor Operator (SRO) license program will be immediately promoted to a position outside the bargaining unit. Such employees may voluntarily return to their previous position in accordance with Article V, Section 2, Paragraph C.2 of the Labor Agreement.

B. Licensed Operator Class Incentives

1. No overtime will be paid for study time. Three lump sum payments will be made upon the successful completion of the following exams if passed on the first attempt:

Generic Fundamentals	\$2000.00
Systems Finals	\$2000.00
Plant Certification	\$6000.00

2. Employees who pass the above exams on a subsequent attempt will receive 50% of the bonus amount for that exam as referenced in Paragraph B.1.
3. Any employee removed from ILO class or any PCO who is demoted and returns to ILO class is prohibited from receiving any of the bonuses referenced in Paragraph B.1 the employee may have previously received.
4. Employees promoted to PCO will be paid a lump sum payment of \$20,000 upon promotion.

Section 3. Operations Special Projects and Temporary Promotions

A. **Special Projects** – This section addresses any assignment that is off normal shift rotation for a period of greater than 60 calendar days in one calendar year.

1. Assignments will be for a maximum of two years. After two years the individual must decide to continue in the same assignment, choose another assignment if available or return to shift. Once a job is selected the volunteer is not eligible for other assignments until the two year time period is over. If involuntarily removed from an assignment before two years, the individual will be available to select from the next assignment(s) offered based on seniority. An employee who is involuntary removed due to poor performance will not be allowed the same opportunity without approval by management. Employees may request to be removed from the assignment and will be released when a replacement is selected and turnover is complete.
2. Whenever an assignment is available, it will be offered on a volunteer basis using IBEW Local 1600 Job Class seniority, when fitness and ability among operators are substantially equal. If no volunteers are obtained, the Company may select the most junior NPO or PCO to fill the position.
3. Notification of the availability of an off shift assignment will be made to each eligible person via e-mail. Once notified, an answer must be given within 14 working days of the date the e-mail was sent. If no answer is received, this will be considered a refusal.
4. Vacation picks for off shift assignments shall be selected within the individual off shift group and logged in the appropriate book. These picks will not affect vacation selection for the on-shift operators. If removed from an off shift assignment before the two year period is up, any vacation selected will be granted. If voluntarily removed from the assignment, vacation must be selected from the available vacation in the on-shift vacation book.
5. Overtime for on-shift coverage will be offered to the on-shift personnel first. Off shift personnel may sign up in the voluntary overtime book and may be selected for on-shift overtime and building coverage in the event there are no on-shift personnel available. They will then be considered for on shift overtime in accordance with the existing callout procedures.

B. **Temporary Promotions** – This section provides an alternative means to temporarily promote Operators to perform work normally performed by non-bargaining unit employees. Operators temporarily

promoted under this provision will be allowed to perform the duties of the assignment and still maintain the ability to perform their bargaining unit job function. Operators temporarily promoted under this section will continue to pay union dues and will sustain no loss of Local 1600 or job seniority.

1. Selection will be on a voluntary basis by job classification seniority when fitness and ability among the volunteers are substantially equal. Management reserves the right to specify the criteria to be used in selecting individuals for the temporary promotion. If there are no volunteers management may use other methods to fill the required position.
2. An employee who is involuntarily removed due to poor performance will not be allowed the same opportunity without approval by management. Employees may request to be removed from the assignment and will be released when a replacement is selected and turnover is complete.
3. Operators temporarily promoted under this section shall receive a premium of 10% above the employee's current rate of pay.
4. The following list provides examples of the type of work that may be assigned under this provision. Prior to adding to the below list, management will discuss the assignment with the chief steward to assure that it is not work normally performed by bargaining unit employees.
 - a. Providing oversight of a crew consisting primarily of contractors during outages and other peak work activities.
 - b. Performing the duties of the OPCAT position.
 - c. Performing the duties of Evolution Coordinator.
 - d. Performing duties of System Clearance Holder.
 - e. PC or PLC programming, web site programming and/or scripting. Database creation for data tracking and management programs, performance improvement, status control, etc. Includes the creation of support documentation and presentations.
5. Temporary Promotion to Operations Instructor
 - a. Requires a union operator's involvement for a time period of approximately two years. Operators will remain in the bargaining unit and continue to accrue seniority and pay union dues.
 - b. Selection will be on a voluntary basis by job classification seniority when fitness and ability among the volunteers are substantially equal. Management reserves the right to specify the criteria to be used in selecting individuals for the temporary promotion. If there are no volunteers, management may use other methods to fill the required position.
 - c. An employee who is voluntarily removed due to poor performance will not be allowed the same opportunity without approval by management. Employees may request to be removed from the assignment and will be released when a replacement is selected and turnover is complete.
 - d. Notification of the training assignment will be made to each eligible employee via e-mail. Once notified, an answer must be given within 14 working days of the date the e-mail was sent. If no answer is received, this will be considered a refusal.
 - e. Vacation picks for training assignments shall be selected within the training group and logged in the appropriate book. These picks will not affect vacation selection for the on-shift operators. If involuntarily removed from a training assignment before the two year period is up, any vacation selected will be granted. If voluntarily removed from the assignment, vacation must be selected from the available vacation in the on-shift vacation book.
 - f. Operators promoted under this section to Operations Instructor shall receive a premium of 15% above the employee's current rate of pay. To be considered a promotion to Operations

Instructor the Operator will normally be assigned to the Training Department to perform the duties of a non-bargaining unit Instructor. It shall not be considered a promotion for any Operator to assist an Instructor with training, validate tests, or perform OJT/TPE.

6. Temporary Promotions to Operations Procedure Writer – Nuclear Plant Operators who are assigned to the Site Procedure Group to create new procedures where none exist will be paid a premium of 10% above their current rate of pay during this assignment.
7. Temporary Promotions for ILO Surrogate – Plant Control Operators who are asked to fill in as a surrogate for initial license operator training will be paid an upgrade of 5% above their current rate of pay during this assignment. Management may change the schedule of the selected employee to accommodate the training schedule.

Section 4. Outage Provisions

A. Outage Schedules – For planned and unplanned outages, a shift schedule may be implemented for employees in the Operations, Radiation Protection, and Nuclear Maintenance Departments. The outage schedule shall consist of five, eight (8) hour days per week with pre-arranged overtime of up to four (4) hours each day, plus turnover time, if required. ST days shall be staggered so that the station achieves a leveled workforce throughout the outage. Pre-arranged overtime may be scheduled on the employees' ST days except as limited by NRC regulations.

B. ST Day Compensation – Employees who are not allowed to work both ST days due to NRC regulations will be compensated at the double-time rate of pay for any hours worked on the ST day they do work. Employees not restricted by NRC regulations will be compensated in accordance with Article IV.

C. Chemistry – During outages, for a period of up to one week prior to breaker opening up to one week following breaker closure, Chemistry Technicians working in the Chemistry Department at SSES may volunteer to work in the RP Department. Duties will be limited to the following: RCA greeter, analysis and calculations required to complete airborne concentration evaluations, assist with routine surveys under the direction of a qualified RP Technician and assist with the issuance of special dosimetry under the direction of a qualified RP Technician. Chemistry Technicians will continue to accrue Chemistry Tech progression line seniority and will not accrue any RP progression line seniority. Chemistry Technicians will continue to be paid at their current rate of pay. Chemistry Technicians will complete the OJT/TPE for the duties specified above. Any qualifications received will be suspended upon completion of the assignment. These qualifications cannot be used to enhance the Chemistry Technicians position in future displacements and/or for bumping purposes. Time and experience will not be accrued to allow any progression beyond the duties specified above. Chemistry Technicians will not be forced to work overtime to cover shifts left vacant by the Chemistry Technicians working in the RP Department. If volunteers cannot be found, the technician will not be released from Chemistry.

Section 5. Nuclear Maintenance

A. Promotions to Leader – When management determines to promote to a Leader on either a permanent or temporary basis, employees will be selected from the Leader pool based on job classification seniority. Temporary Leader assignments may also require specialty qualifications. (For example, if a temporary Leader position requires the incumbent to be a qualified welder, more senior employees without the welder qualification may be bypassed for selection). Management will notify a Local 1600 Chief Steward if a less senior employee is selected on this basis.

Temporary Leader assignments will be for a minimum of one day to a maximum of six (6) months.

Section 6. Schedules

To the extent any matter regarding scheduling of employees at SSES is not expressly provided below, these employees at SSES shall be covered by the remainder of the collective bargaining agreement, as applicable.

Rotating Shift Schedules

The parties agree that employees in the Radiation Protection, Operations, and Chemistry progression lines and the Handyman-Effluents classification are considered shift workers and may work schedules of either eight, ten or twelve hour shifts and schedules containing such shifts. All other employees will continue to work schedules in accordance with Article IV.

1. Normal Schedules

Management will establish a rotational schedule for each of the above groups. Prior to January 1, of each year, management will meet with the affected group to determine if a new rotation is desired by either party. Start times for the 12-hour portions of the schedule will normally begin at 7:00 am or 7:00 pm. Start times for the 5-8's portion will normally begin at 7:00 am. The Company shall meet and discuss with the Union any decision to make changes to start times for other than a temporary nature.

2. Temporary Schedule Changes

Temporary changes in start times may be made for business reasons. Changes to schedules may be made in accordance with the provisions of Article IV, Section 3. In addition, temporary changes may be made for the purposes of substitution, System Outage Window, planned or unplanned outages, entering into a limiting condition of operation for whose action statement length is for 72 hours or more or for assignment to special projects. The schedule change may be either to move to one of the 12 hour per day weeks (shift coverage) or to an evening or night shift on the 5-8's schedule.

Employees on the 5-8's portion of the schedule will be utilized for schedule changes. If the particular schedule contains a specifically designated Relief Week, employees on the Relief Week will be asked to have their schedule changed. If there are no volunteers from the Relief Week, or if there is no specific Relief Week or there are no more available Relief Week employees, employees on other 5-8's weeks in the schedule will be canvassed. If there are no volunteers, the least senior qualified employee will be selected. Employees already working on a 12-hour portion of the schedule may be allowed to volunteer for a change in schedule with management's approval.

Employees scheduled for training may not volunteer to have their schedule changed or be called out for overtime without the approval of management.

Changes other than those described above will be made in accordance with Article IV, Section 4. Employees will be notified by the end of normal day shift Friday the previous week. Employees not notified by this time will be entitled to Shift Change Premium in accordance with Article IV, Section 4, Paragraph A(3).

3. Overtime

Emergent needs for night shift or weekend coverage of less than a full schedule week may be filled by pre-arranged or callout overtime in accordance with the overtime provisions of Article IV. No employee shall work an overtime shift that subsequently makes that employee unavailable for the employee's normal shift, without management's approval.

4. Pay Practices

- a. The work week is Monday to Sunday. The first working shift will begin at 7:00 pm Sunday night. Accordingly, 7:00 pm is established as midnight for 12-hour rotating shift workers.
- b. Straight time shall be paid for the 12-hour portions of the schedule with overtime at the appropriate rate for all hours worked outside those hours.
- c. Time and one-half shall be paid for all hours worked beyond the fourth hour to the twelfth hour on the fourth 12 hour day in the payroll work week.
- d. During any work week where the scheduled hours are less than 40, straight time will be paid only for those hours worked in the schedule.

- e. All hours worked on ST days will be paid at the appropriate rate of pay in accordance with Article IV, Section 4 of the Agreement.
- f. The last ST day of any payroll week will be designated as the second ST day for the purposes of overtime.
- g. All paid absences, such as vacation, sick time, jury duty and bereavement pay, will be charged and paid at a straight time rate based on the employee's scheduled shift for that day.

5. Holiday Pay

- a. When it is an employee's schedule ST day and the employee does not work the employee will be paid 8 hours of straight time pay for the holiday.
- b. When it is an ST day and the employee works, the number of hours actually worked, which would have been scheduled for the employee if it were a W day or which are scheduled for the employee for whom he is substituting, will be paid at:
 - i. Double and one-half time when it is the second ST day in a work week.
 - ii. Double time on the first ST day.

All other hours worked will be paid for at double time. In addition the employee will receive 8 hours of straight time for the holiday whether it is the first ST day or the second ST day.

- c. When it is a W day and the employee works, the employee will be paid at time and one-half for the scheduled hours worked. In addition, the employee will be paid at straight time pay for holiday equal to the number of hours the employee was scheduled, i.e., an employee scheduled to work 8 hours on the holiday will receive 8 hours of holiday pay, an employee scheduled to work 10 hours on the holiday will receive 10 hours of holiday pay and an employee scheduled to work 12 hours will receive 12 hours of holiday pay. Any hours worked in excess of the employee's scheduled hours will be paid at double time.
- d. When it is a W day, and the employee requests to be off and it is approved by the supervisor, the employee will be paid straight time pay for the holiday equal to the number of hours the employee was scheduled for, i.e. an employee scheduled to work 8 hours on the holiday will receive 8 hours of holiday pay, an employee scheduled to work 10 hours on the holiday will receive 10 hours of holiday pay and an employee scheduled to work 12 hours will receive 12 hours of holiday pay.

6. Vacation

Employees who are left with part-day vacations may schedule such hours during the current year with supervisory approval as a partial day vacation, receive longevity pay or carry over the hours to the next year.

7. Meals

Employees working a scheduled shift shall provide their own meals. Meal entitlements will be provided for overtime hours worked outside scheduled hours in accordance with Article VIII, Section 5, Paragraph D.

**ARTICLE XII
PPL ELECTRIC UTILITIES FIELD SERVICES**

This Article XII applies to the following employees in PPL Electric Utilities.

Section 1. Organization

This article applies only to those employees in PPL Electric Utilities in the progression lines and job titles below. The following progression lines will be systemwide for promotions, demotions, or transfers with roster locations and region assignments for work rights and shipping purposes.

A. Progression Lines – PPL Electric Utilities

The progression lines covered under this Article for PPL Electric Utilities are as follows:

- 1. Field Services – Regional**
 - a. Mechanical
 - b. Electrical
 - c. Transmission and Distribution Lines
 - d. Equipment Operation
- 2. Resource Management – Transportation**
 - a. Mechanic
 - b. Material

B. Job Classifications

The following job classifications exist in the above progression lines. All future hires, promotions, demotions, or transfers will involve these job classifications.

Electrician Leader-FS-Subs
Electrician Leader-FS-Underground
Electrician Leader-Network
Equipment Operator-FS
Groundhand-FS
Helper-FS-Regional-Electrical-Subs
Helper-FS-Regional-Electrical-Underground/Network (UG/N)
Helper-FS-Regional-Mechanical
Helper-FS-Regional-T&D
Journeyman Electrician-Substation
Journeyman Electrician-Underground/Network (UG/N)
Journeyman Electrician-Trainee-Subs
Journeyman Electrician-Trainee-Underground/Network
Journeyman Lineman-FS
Journeyman Lineman Trainee-FS
Journeyman Mechanic-FS-Regional
Journeyman Mechanic-Trainee-FS-Regional
Laborer-Mechanical
Laborer-Electrical
Lineman Leader-FS
Mechanic Leader-FS-Regional
Transportation Handyman-RM
Transportation Journeyman Mechanic-RM
Transportation Material Handler-RM
Transportation Mechanic-RM
Transportation Mechanic Leader-RM
Troubleman-FS

C. Roster Locations